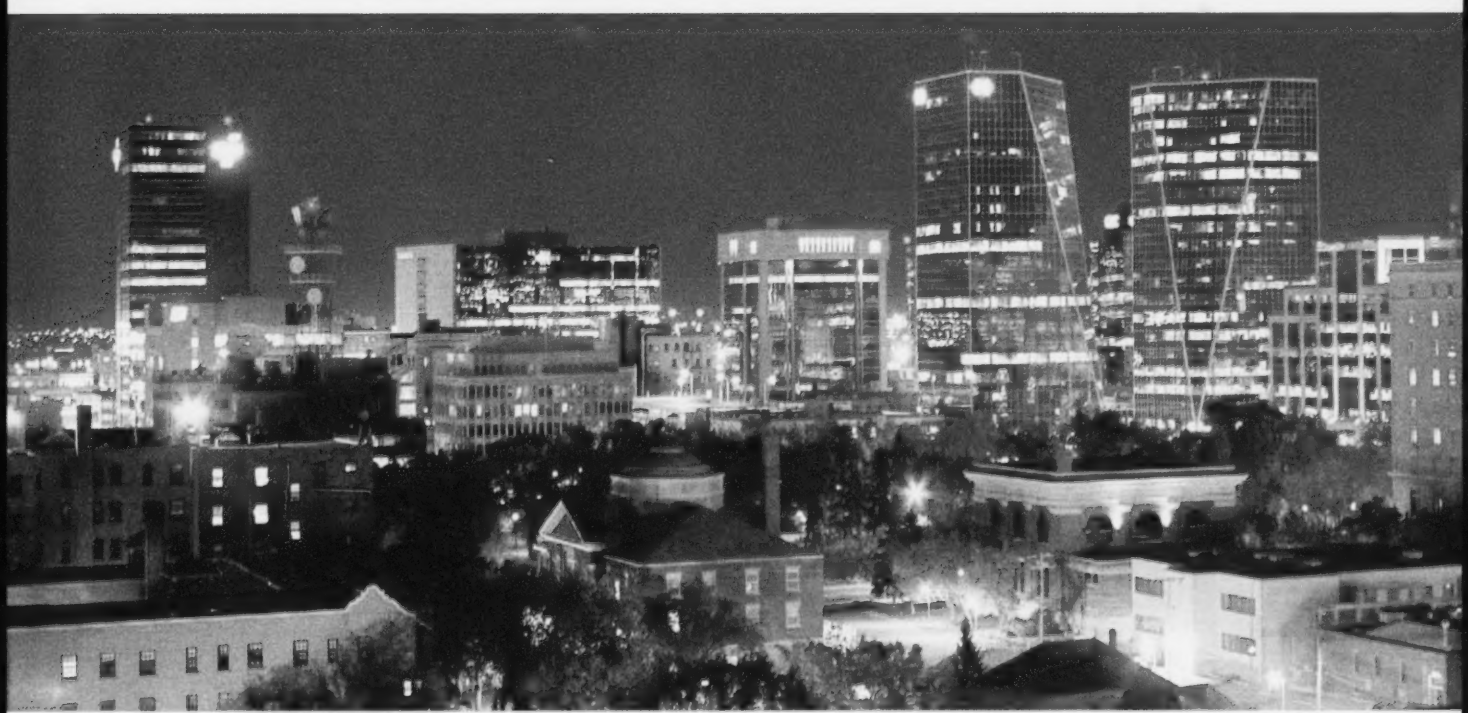
2009 - 2013

CITY OF REGINA

GENERAL CAPITAL PROGRAM

AS APPROVED BY CITY COUNCIL



Regina

CITY OF REGINA

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Office of the City Manager
April 20, 2009

To: His Worship the Mayor,
and Members of City Council

Re: **2009 – 2013 General Capital Investment Program**

Each year City Council is required to adopt an operating and capital budget. There are three components to the budgets, the General Operating Budget, the Water and Sewer Utility Operating and Capital Budget and the General Capital Investment Program. **This document is the 2009 – 2013 General Capital Investment Program.**

The 2009 – 2013 General Capital Budget is $472.9 million, in comparison to $347.8 million in the 2008 – 2012 General Capital Budget. The increase reflects additional funding provided by the City as well as the Federal and Provincial Governments, and also reflects the pressures of higher construction prices.

The General Capital Investment Program represents a balance between the fiscal constraints facing the City and the capital requirements. It has been built around City Council's Vision.

Imagine Regina 2020
Canada's most...
Vibrant,
Inclusive,
Attractive,
Sustainable community
Where people live in Harmony
And Thrive in opportunity.

This vision provided the starting point for the development of the Corporate Strategic Plan – *Accelerating Excellence*, with four Strategic Priorities to guide our budget process.

The Strategic Priorities established in *Accelerating Excellence* include:

- Managing Growth and Community Development
- Strengthening City Infrastructure and Managing Assets
- Achieving Operational Excellence, and
- Ensuring Organizational Capacity and Effectiveness

The key components of the 2009 – 2013 General Capital Investment Program reflect these priorities and include:

- Funding for Street Infrastructure Renewal is $15 million in 2009, up 7% from the $14 million provided in 2008.

- Purchase and modification to the City's Transit and Paratransit buses of $5.9 million.

- Funding for Roadway Network Improvements total $10.7 million for 2009, including intersection construction at Gordon Road and Lewvan Drive; McCarthy Boulevard, Ross Avenue, Jim Cairns Avenue extension, Parliament Avenue at Lewvan and Rochdale Boulevard at Wal-Mart.

- Funding for the rehabilitation of bridges totals about $5.6 million with the primary focus on the Albert Memorial Bridge.

- Funding of $2 million in 2009 and $40.5 million over five years for the landfill. The funding includes the cost of capping and closing the existing landfill; landfill gas collection Phase II; and design and construction of a new landfill site.

- Funding of about $8.2 million in 2009 and $55.7 million over five years for facilities management. For 2009 $5.3 million will be spent on major projects such as roof replacement at the Lawson, replacement of Fire Station #4 and the continued renovation of City Hall. An additional $2.9 million is required to service existing City facilities that are on average 27 years old.

- Funding of about $4.8 million for the vehicle and equipment fleet in 2009, $23.3 million for the five years. This investment level is consistent with the 2008 – 2012 budget.

- $6 million in 2009 for Phase I of the City Square WOW Project. This phase includes the alterations to 12th Avenue and Victoria Park resulting in more public space downtown.

- Investment of $1.28 million in 2009 for solid waste collection conversion from manual to automated cart collection.

- $1.35 million for Regina Police Service to upgrade Information Technology systems and to repair and remediate facilities.

Regina, like other cities, is facing a problem of ageing infrastructure coupled with requirements resulting from growth and increased standards. During 2008, the City projected its infrastructure requirements, including rehabilitation of existing infrastructure and the demand for new infrastructure resulting from growth, at about $2.1 billion, of which $1.244 billion is unfunded through any existing sources.

While there is virtually universal recognition of the need to increase capital spending, the challenge continues to be finding sources of funding that are predictable and sustainable.

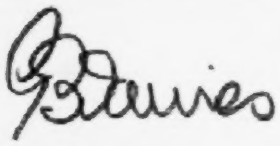
The 2009 – 2013 General Capital Investment Program reflects an estimate of about $11.1 million in annual infrastructure grants from the Federal Gas Tax Grant. The Federal Government recently extended the program until 2014/15, the type of time frame which is essential for effective infrastructure planning. It is important that this continue in the future, with projections updated on a regular basis.

The Federal Public Transit Grant will provide $5.6 million in funding for 2009 while $2.5 million in funding is sourced from the Urban Development Agreement.

The capital funding plan includes civic current contributions of $12.6 million for 2009 consistent to 2008. The current contributions to capital for Police of $1 million are relatively stable but there is approximately $10 million required to rehabilitate the Municipal Justice Building in 2011 and 2012. City Council and the Board of Police Commissioners will have to develop a plan to meet that requirement over the next few years.

The 2009 – 2013 General Capital Investment Program demonstrates progress in addressing the priority needs of the community. It has been developed with a focus on City Council's Vision and the four strategic priorities. It provides a balanced approach, including the use of relatively modest debt levels to permit the City to move forward with priority projects with long term benefits for the community and strengthening of reserves to meet long term capital requirements.

Respectfully submitted,



Glen B. Davies
City Manager

Introduction

2009 General Capital Investment Program

The 2009 General Capital Investment Program supports City Council's Vision for Regina:

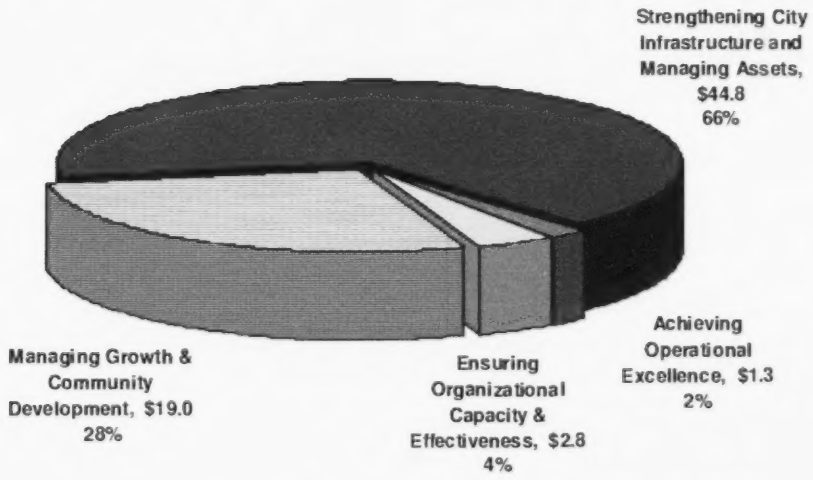
Imagine Regina 2020
Canada's most...
Vibrant,
Inclusive,
Attractive,
Sustainable community
Where people live in Harmony
and Thrive in opportunity.

Regina's need for investment in infrastructure is great, and funding is limited. It is essential that capital investments be directed in a strategic manner to deliver the best return for the community. The 2009 General Capital Investment Program was developed based on the four strategic priorities identified in the Corporate Strategic Plan – *Accelerating Excellence*:

- Strengthening City Infrastructure and Managing Assets
- Managing Growth and Community Development
- Achieving Operational Excellence
- Ensuring Organizational Capacity and Effectiveness

Strategic Priorities

Capital Expenditures by Strategic Priority – 2009
(millions of dollars)


Strengthening City Infrastructure and Managing Assets, $44.8 66%
Achieving Operational Excellence, $1.3 2%
Ensuring Organizational Capacity & Effectiveness, $2.8 4%
Managing Growth & Community Development, $19.0 28%

Strengthening City Infrastructure and Managing Assets

This Strategic Priority is related to strengthening our City infrastructure systems and managing other tangible and financial assets. It ensures that our City is strong and financially sustainable.

The 2009 General Capital Investment Program includes:

- $15 million for street infrastructure renewal.
- $5.9 million for the purchase of and modifications to the City's Transit and Paratransit buses.
- $5.6 million for bridge infrastructure renewal and engineering support.
- $4.7 million for renewal of the City's vehicle and equipment fleet.
- $4.2 million for renewal and renovations of other City buildings, including Fire and Transit buildings.
- $1.7 million for renewal and renovations of City Hall.
- $890,000 for enhanced traffic signals and expressway light rehabilitation.
- $831,000 for information systems upgrades.
- $774,000 for Facility Capital Planning Program and condition assessment requirements for various City facilities.
- $754,000 for the Regina Police Service Department facilities development and emergency services equipment.
- $415,000 for Mosaic Stadium repairs and maintenance.
- $400,000 for the project management and cost estimating for developing and implementing the Recreation Facility Master Plan and for relocating the Central Scheduling office to Evraz Place, which will also include future network connectivity for the new Fire Hall #4.
- $400,000 for upgrade, repair, and maintenance to various city parks and outdoor play amenities.
- $285,000 for Parks and Open Space irrigation systems restoration and upgrade.
- $271,000 for athletic fields' restoration and upgrade of fitness equipment.
- $169,000 for Public Works building and yards repair and maintenance facilities.
- $150,000 for restoration and improvements to the City's golf courses.
- $140,000 for upgrade of major components of the asphalt plant.
- $55,000 for repair and upgrade to the City's two cemeteries.
- $20,000 for back alley shared container replacement.

Managing Growth and Community Development

This Strategic Priority ensures we anticipate and prepare for our City's growth and are responsive to the needs of our community.

The 2009 General Capital Investment Program includes:

- $10.65 million for roadway network expansion and improvements, including intersection construction at Gordon Road and Lewvan Drive; McCarthy Boulevard at Wadge Street to Diefenbaker Drive; Ross Avenue on north side of Sioux Street to Fleet Street; Jim Cairns Boulevard and Lewvan Drive; Interchange at Highway No. 1 and Lewvan Drive; Parliament Avenue Extension west of Lewvan Drive; Intersection at Parliament and Lewvan Drive; Intersection at Rochdale Boulevard and Walmart/Sobey's.
- $5.95 million for the City Square WOW Project (Phase I) sourced from three levels of government and the development of the community.
- $2 million for landfill capping, closure, and new landfill development.
- $860,000 for new and enhanced traffic signals, pedestrian protection, street lighting, railroad crossings, and anti-whistling.

- $500,000 for Urban Development Agreement.
- $342,000 for traffic management and parking.
- $300,000 for industrial land development including north Argyle Street and Ross Industrial – Phase I.
- $190,000 for arterial street tree planting.
- $175,000 for information systems upgrade including fibre optic expansion and Oracle licensing.
- $70,000 for a columbarium at the Riverside Cemetery.

Achieving Operational Excellence

This Strategic Priority focuses on providing excellent customer service to our community.

The 2009 General Capital Investment Program includes:

- $1.28 million for solid waste conversion to automated cart collection.
- $20,000 to purchase a core drill trailer system for taking core samples of existing road structures.
- $10,000 for information signs to identify sections within Riverside Cemetery.

Ensuring Organizational Capacity and Effectiveness

This Strategic Priority ensures we have the right people and processes in place, that we are as effective and efficient as possible, and that we are continuously improving.

The 2009 General Capital Investment Program includes projects that fit the first three strategic priorities while also providing for organizational capacity improvements. This includes:

- $1.25 million to replace Fire Station #4.
- $598,000 for Regina Police Service Department information technology update.
- $525,000 for information system updates such as HR-VIP Module Implementation, HR-VIP Interim e-Recruit, HRMS Review and Update, financial reporting, and Urban Planning automation.
- $320,000 for equipment needs of Transit and golf courses.
- $95,000 for LED Replacement Program.
- $50,000 for University of Regina artificial turf.

The Need for Infrastructure Investment

The need for infrastructure investment in Regina, like most western Canadian cities, arises in primarily three ways: replacement of existing infrastructure, increasing standards, and new infrastructure to support growth.

> *"Canadian municipalities build, own and maintain most of the infrastructure that supports our economy and quality of life. Yet for the past 20 years, municipalities have been caught in a fiscal squeeze caused by growing responsibilities and reduced revenues. As a result, they were forced to defer needed investment, and municipal infrastructure continued to deteriorate, with the cost of fixing it climbing five-fold from an estimated $12 billion in 1985 to $60 billion in 2003. This cost is the municipal infrastructure deficit, and today it has reached $123 billion.*
>
> *The upward trend of the municipal infrastructure deficit over the past two decades points to a looming crisis for our cities and communities and ultimately for the country as a whole. The deficit continues to grow and compound as maintenance is delayed, assets reach the end of their service life, and repair and replacement costs skyrocket. When compared with earlier estimates, the $123-billion figure clearly shows the municipal infrastructure deficit is growing faster than previously thought."*
>
> – Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure – A Report for the Federation of Canadian Municipalities, Saeed Mirza, PhD., Ing., November, 2007.

The infrastructure gap is difficult to estimate, and because of that, some would suggest that it does not exist or is exaggerated. The numbers presented seem incredible and unmanageable to the average person. However, it is important to understand that the very size and variability in the numbers arise not because of some level of fabrication or inaccuracy but because of the increasingly complex environment for municipalities and because of the level of professionalism brought to infrastructure management.

Municipalities do not simply go out and rebuild the same piece of infrastructure at the end of its life cycle. Community needs and regulatory requirements are constantly evolving. Municipal infrastructure managers are responsible for incorporating improvements in safety, efficiency, environmental impact, aesthetic design, and productivity in their work on an ongoing basis.

At the same time, communities are growing. An engineer cannot just approach a roadway project for resurfacing only; any cost effective approach means that new capacity and safety considerations must also be included. It becomes very difficult to separate the cost of 'replacing existing infrastructure' from service level improvements and expansions.

Consequently, there is no generally accepted method for estimating exactly what the level of infrastructure funding should be. In carrying out the study for FCM, the following definition was used:

> "In formal terms, the municipal infrastructure deficit refers to the following:
>
> - the unfunded investments required to maintain and upgrade existing, municipally owned infrastructure assets; and
> - the funding needed over and above current and projected levels to bring existing facilities to a minimum acceptable level for operation over their service life, through maintenance, rehabilitation, repairs and replacement."

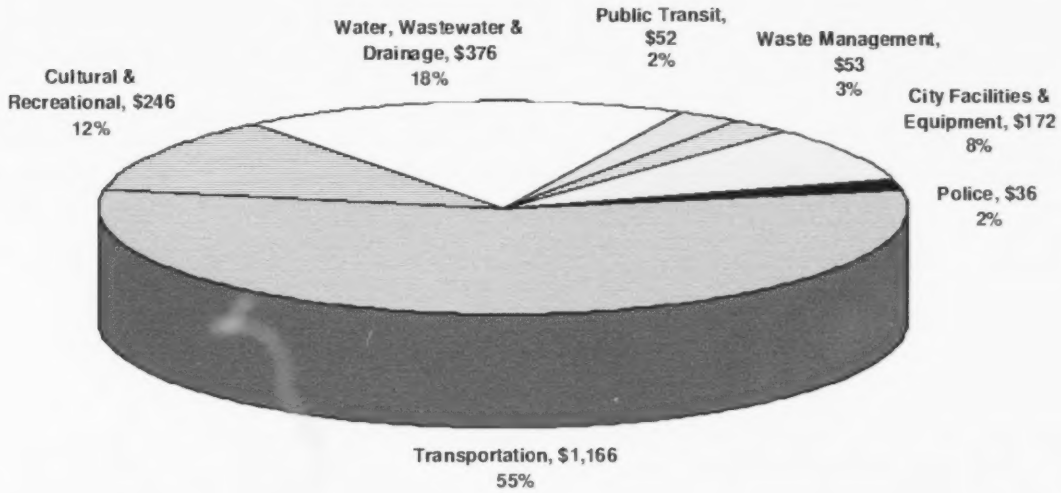
Regina also has significant requirements for infrastructure related to new growth, particularly in the area of roadway network improvements.

Measuring Regina's Infrastructure Gap

During 2009, Regina's estimate of infrastructure requirements over the next ten years was updated based on information from a number of recent studies, including the Waterworks Assessment Study, required under provincial regulations, and a report done by Watson and Associates, identifying 25-year infrastructure requirements related to the City's Long Term Development plan.

Based on this information, Regina's total infrastructure requirements over the next ten years is about $2.1 billion. The breakdown by infrastructure type is as follows:

Regina's Total Infrastructure Requirements
(in millions of dollars)

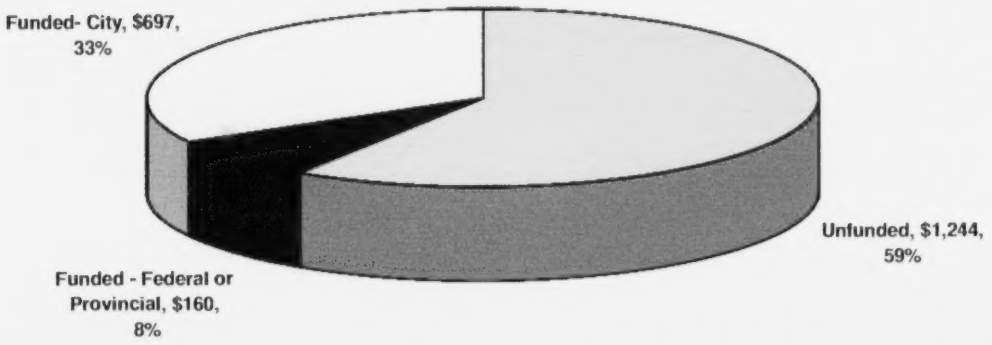


Total = $2.101 billion

This figure might seem unreasonably large, but the City's annual capital budgets, including the water, wastewater, and drainage utility, have averaged about $45 million per year for the past fifteen years. The replacement cost of Regina's total infrastructure is estimated at about $10 billion. With the rapidly rising cost of construction, that figure continues to increase.

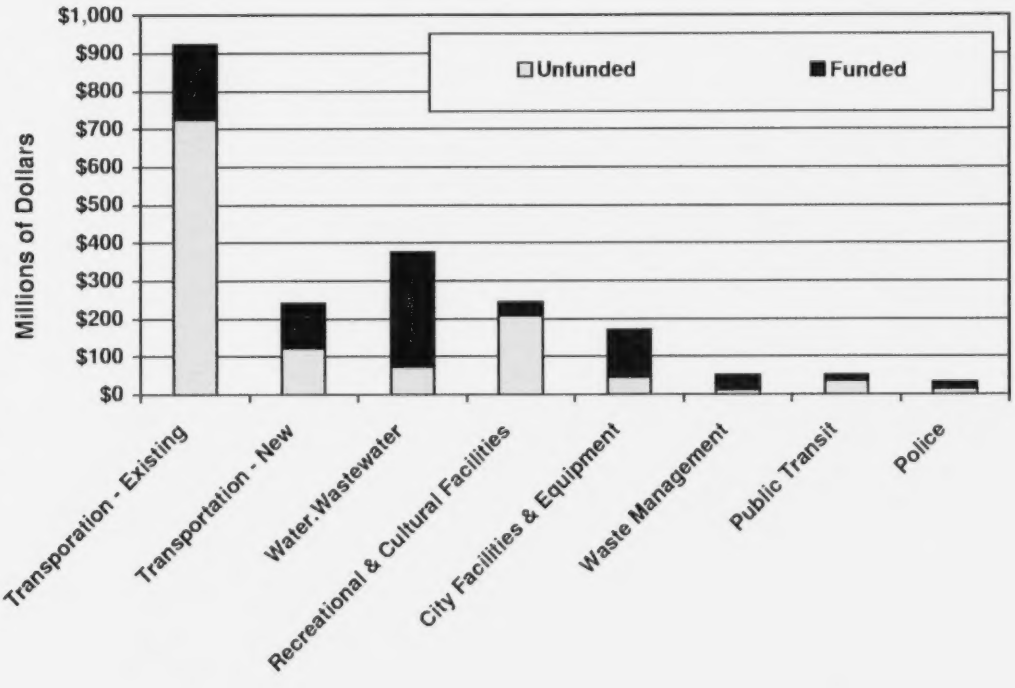
This chart shows the relative proportions of Regina's infrastructure requirements over the next ten years for which funding sources currently exist, and for which there is a funding gap.

Regina's Infrastructure Requirements
(in Millions of Dollars)



The following chart shows the proportion of infrastructure requirements over the next ten years where funding gaps exist by the major categories of infrastructure:

Funded Versus Unfunded Infrastructure Requirements by Type
(In Millions of Dollars)



Strategies to Reduce the Gap

It is important to note that Regina, like other municipalities, is not expecting other orders of government to fully fund all infrastructure requirements.

From the graphs above, it is clear that Regina will fund a significant portion of its infrastructure requirements from local sources. Across Canada, the infrastructure gap resulted from multiple factors, and Regina's approach recognizes that addressing the problem will require action in several areas, including:

- Sufficient funding of capital from the City's operating budget;
- Sustainable policy and development decisions that do not artificially increase the demand for infrastructure;
- Servicing agreement fees that adequately fund the cost of new development and do not deplete other sources of funding required to address the infrastructure deficit;
- Accurately priced user fees that include the costs of infrastructure;
- A careful combination of "pay as you go" with debt to fund projects with long-term benefits;
- Solid asset management techniques, including long-term capital planning, that maximize the value of infrastructure spending; and
- Stable and long-term funding from the Federal and Provincial Governments, with flexibility to address the priorities within the community.

Only about $105 million of the $2.1 billion in total infrastructure requirements is fully funded as of the beginning of 2009, through reserves, and tax and federal grant revenues to be received this year.

Over the next ten years, it is anticipated that of the $2.1 billion, the City will fund $265 million through operating contributions to reserves and from the tax base. It is estimated that an additional $160 million will be received from Federal and Provincial infrastructure grant programs, based on funding levels from existing programs. Approximately $210 million will be funded from servicing agreement fees and other contributions from developers.

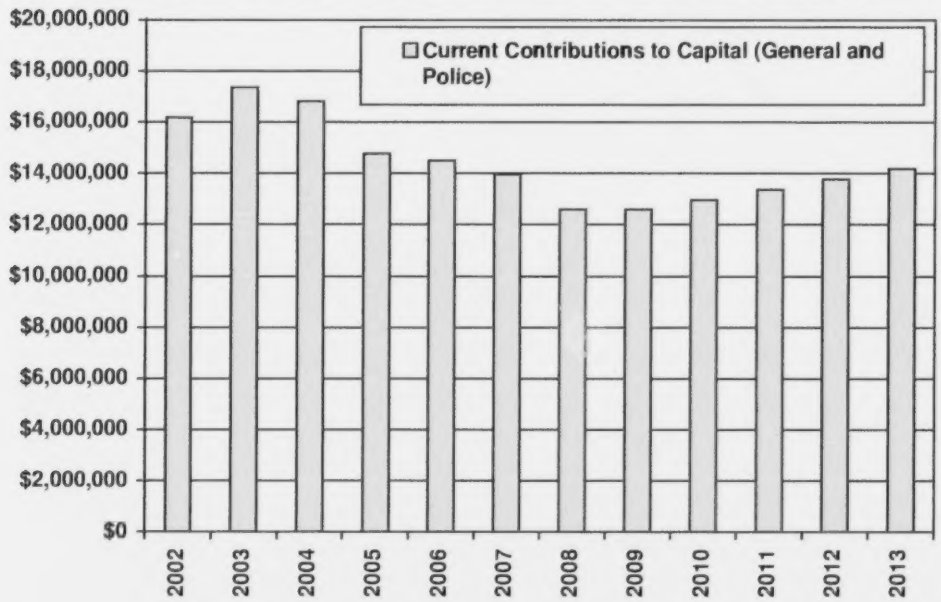
About $200 million in utility infrastructure requirements will have to be funded from debt, which will be repaid through utility rates.

Using the limited tools available, the City has taken several significant steps to address the infrastructure gap, based on the multi-faceted approach outlined above.

Funding from the Operating Budget

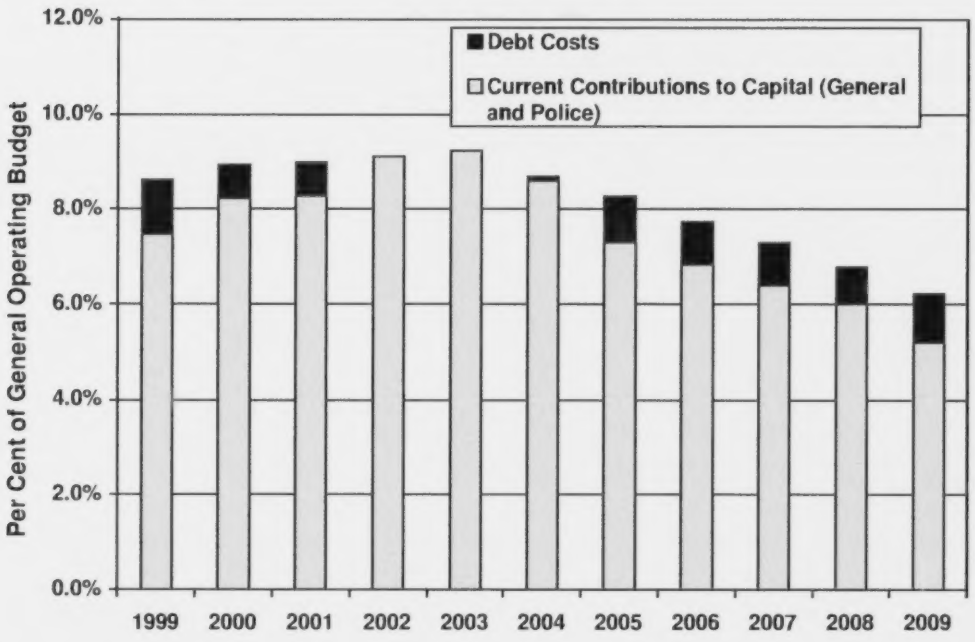
Despite continuing pressures for operating funding, the City has generally been able to maintain the level of funding for capital from the general operating budget. Pressures will increase significantly in 2010 through 2013 as a result of significant capital projects unless other sources of funding can be found.

Capital Funding From Current Contributions – Historical and Projected



Capital funding as a percentage of the operating budget has been decreasing, reflecting the pressures of operating costs.

Capital Funding From Current Operations – 1999 to 2009
(Per Cent of General Operating Budget)



Servicing Agreement Fees

During 2007, the City completed a major review of the servicing agreement fee policy. The review included estimates of the capital requirements related to new development over the next 20 years. Regina had reached a threshold in that the majority of its existing developments were virtually complete, and a significant investment in infrastructure was required if the City was to grow. Regina's servicing agreement fees were significantly lower than those in most other cities across Canada.

New policies were adopted by City Council in 2007, based on appropriate cost sharing between new developments and existing taxpayers. The fees have increased significantly since 2007 with a 2009 rate of $212,134 per hectare, up from $183,405 in 2008. Despite the increase in fees, which now include a financing cost element, significant additional funding is required to support these new neighbourhoods, and there will be a significant cash outflow required by the City to fund its share of infrastructure, as well as to finance the infrastructure paid for through servicing agreement fees. This amount will be repaid over the next decade through servicing agreement fees as new development proceeds.

It is clear that the usual approach, whereby the City funds infrastructure in advance of development for roadways and water, wastewater and drainage infrastructure is not workable given the City's limited financial resources. New approaches, including developer front ending agreements and phasing of development, will be used to help balance the cash requirements.

User Fees

The City has reviewed virtually all its user fees over the past three years to ensure that, where possible, revenues are keeping up with capital as well as operating costs. A three-year utility rate increase of 9% per year for 2008, 2009 and 2010 was approved by City Council in 2007 to contribute towards water and wastewater infrastructure requirements, including an upgrade and expansion of the wastewater treatment plant anticipated to cost in the range of $100 million. Landfill rates have been increased to contribute toward the costs of landfill closure, capping, and expansion. Golf and cemetery fees have been reviewed on a regular basis and established to cover capital and operating requirements.

A three-year recreation program fee schedule was approved by City Council in June of 2007 to ensure that targeted cost recovery levels are achieved.

While these fee increases are not popular and are sometimes viewed as another form of taxation, they are necessary to help address the infrastructure funding gap. The City is embarking on a general review of rates and fees for all City services with a view to develop more consistent and comprehensive pricing policies.

It is important to note that, while the City has the authority to raise revenues through licenses and special taxes, such revenue cannot exceed the related costs, limiting any ability to use such revenues to fund capital.

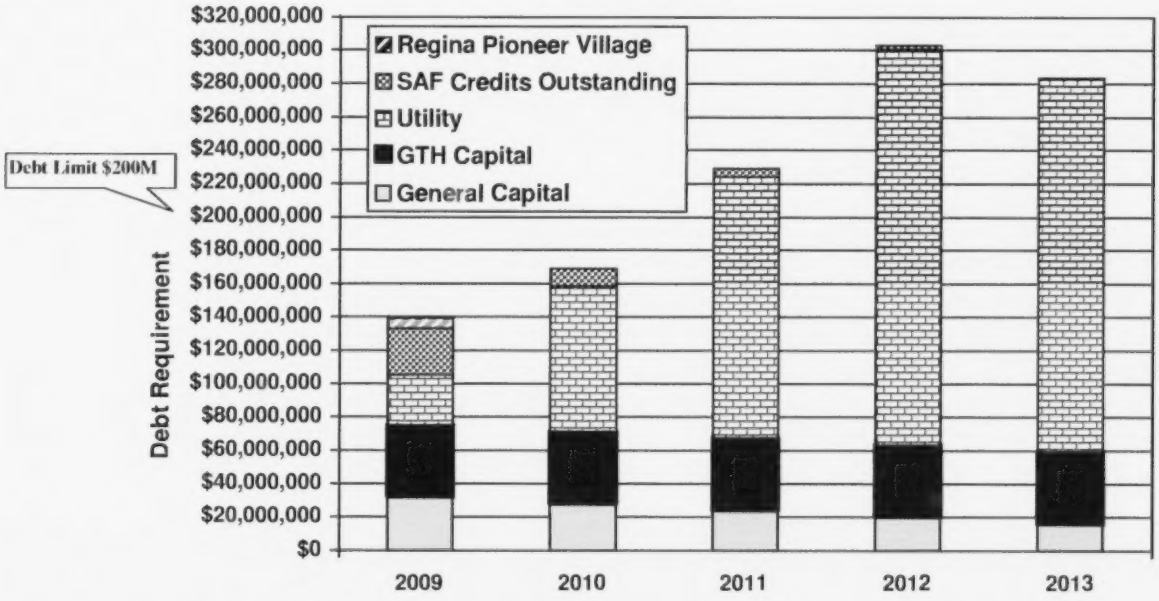
Debt Financing

The 2009 General Capital Investment Program proposes the use of no debt over the next five years as the City's debt limit will be maximized mid 2011. This leaves the City in a position of many unfunded capital expenditures in years 2010 to 2013.

While the issuance of debt can provide for increased capital funding, the debt along with the related interest cost must be paid in future years. The use of debt is a trade-off between increased fiscal flexibility in the short term versus reduced fiscal flexibility over the term of the repayment of the debt.

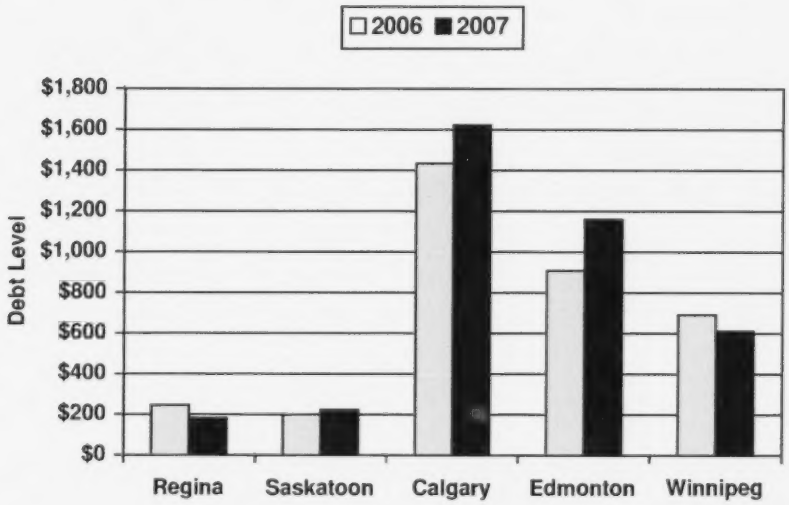
The City is faced with difficult choices. While interest costs will add to the overall bill, the rapid increases in construction costs over the past few years indicate that in some circumstances, debt financing could lower the overall costs.

Expected Debt



The 2009 General Capital Investment Program does not propose the use of debt for any projects. Historically Regina has remained very competitive in its debt requirement. The following chart shows the per capita debt comparisons to other Cities for the years 2006 & 2007.

Per Capita Debt Comparison to other Cities



Asset Management Techniques

The City established a Corporate Asset Management Steering Committee in 2008 to develop a strategic asset management policy for the organization to ensure our infrastructure is maintained, rehabilitated, and replaced in order that citizens receive acceptable levels of service from all of the programs. The Committee adopted a standardized asset management methodology that will be used corporately to manage the City's infrastructure to ensure long-term sustainability. These techniques and approaches are not new to the City, but there has been significant advancement in research available across North America that is being applied in Regina. In addition, local research through the Communities of Tomorrow and joint projects with the City of Saskatoon are providing benefits.

The City of Regina is also undertaking to complete the following - Recreation Facility Master Plan, Core Neighbourhood Sustainability Plan, Downtown Plan, Evraz Place Master Plan, and Solid Waste Management Plan to assist in the preparation of long-term management of these assets through identification of community needs and trends. The City continues to identify and apply best practices in pavement, sidewalk, water, and sewer infrastructure maintenance. Significant success has also been achieved through the application of a life cycle management approach to optimizing fleet costs, reducing the City's fleet by about 20% in recent years.

Historically, municipalities were not required to account for assets with the same rigour as in other industries. However, the Public Sector Accounting Board has issued new recommendations to account for municipal assets or tangible capital assets. The City of Regina will be implementing these recommendations in 2009. This increased requirement for accounting for the City's assets will also aid in improving our management information available to ensure infrastructure investments are directed in a manner to ensure longevity and sustainability of our assets while providing the maximum benefit to citizens.

Sustainable Development Policies

Regina's Official Community Plan (OCP) establishes sustainability as one of the two principles guiding the entire plan. The other, ensuring that development occurs in a cost efficient, environmentally responsible, and socially equitable manner, is directly related to sustainability objectives.

A key policy is to maintain a compact urban form as a sustainable model. The residential growth strategy targets substantial infill development to balance peripheral expansion. Thirty percent of new housing will be directed to infill development to meet the OCP policies.

The transportation policies in the OCP support alternative modes of transportation. With higher densities in the central city, walking, bicycling and transit become more attractive options. In new suburban areas, a model was developed in the Sector Plans, which emphasises greenways and transit oriented design, which will give emphasis to alternative modes of transportation.

Growth is managed to ensure contiguous development (avoid leapfrogging) and the cost effective provision of services. The City works with the RM of Sherwood cooperatively as part of the Sherwood/Regina Planning District to manage growth in the region. Lands in the RM are reserved primarily for agricultural uses, except for sites specifically designated industrial (Sherwood Industrial Park) and commercial (abutting Highway No.1).

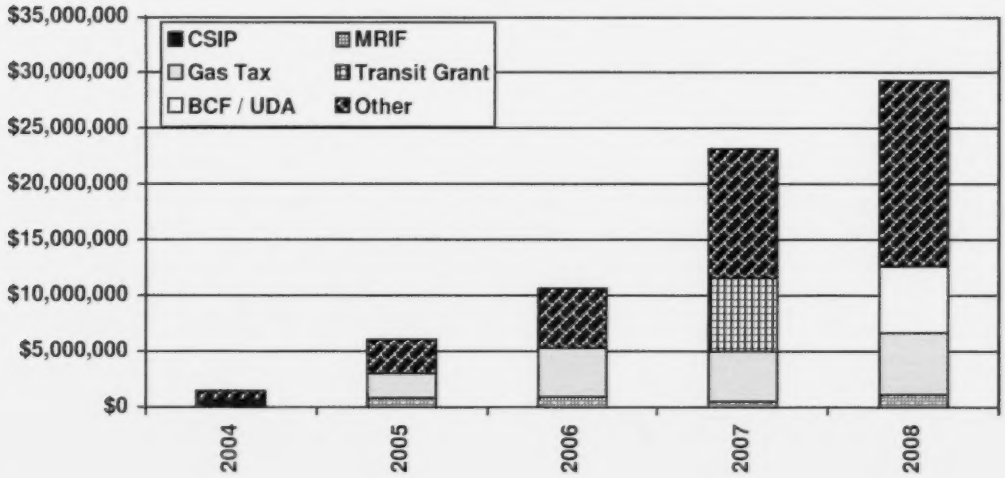
In summary, the City's sustainable development policies result in a more compact city and reduce the requirements for new infrastructure.

Capital Grant Programs

The information provided above indicates that the City is using all available approaches to manage its infrastructure requirements, but municipal taxpayers cannot do it alone. After the severe reductions in funding experienced during the 1990's and earlier this decade, the Federal Government and Provincial Governments across Canada began to recognize the importance of infrastructure funding.

> *"Canada's quality of life and economic competitiveness depend in part on having reliable, efficient infrastructure that is provided in large part by municipal, provincial, territorial and federal governments."* – ***Restoring Fiscal Balance in Canada – Focusing on Priorities – Federal Budget 2006.***

Federal Capital Grants



Gas Tax

The Federal Government has implemented a program to share a portion of the Federal Gas Tax with municipalities. The share for Regina has grown from $3.3 million in 2005, $3.3 million in 2006, $4.4 million in 2007 and $5.5 million in 2008 to **$11.1 million in 2009**. The grant is based on 1.5 cents per litre in 2005, increasing to 5 cents a litre in 2009. During 2007, the Federal Government announced an extension of the program through the 2014 – 2015 Federal fiscal year.

Federal Public Transit Grant

This program was announced in 2005, and provided $4.9 million for Regina in 2006, $10.4 million in 2007 to cover a three-year period, and $5.6 million in 2009. The funding must be used for transit initiatives and requires incremental funding from the municipality.

Building Canada Fund

The Building Capital Plan (BCP) is a national $33 billion, seven-year fund announced by the Federal Government in 2007. The BCP includes both Base Funding components, as well as Merit Based Program Funding.

Building Canada Fund (BCF) is a merit-based, $141 million fund targeted to communities over 100,000, which would include the City of Regina, the City of Saskatoon and the Government of Saskatchewan as being eligible for funding consideration.

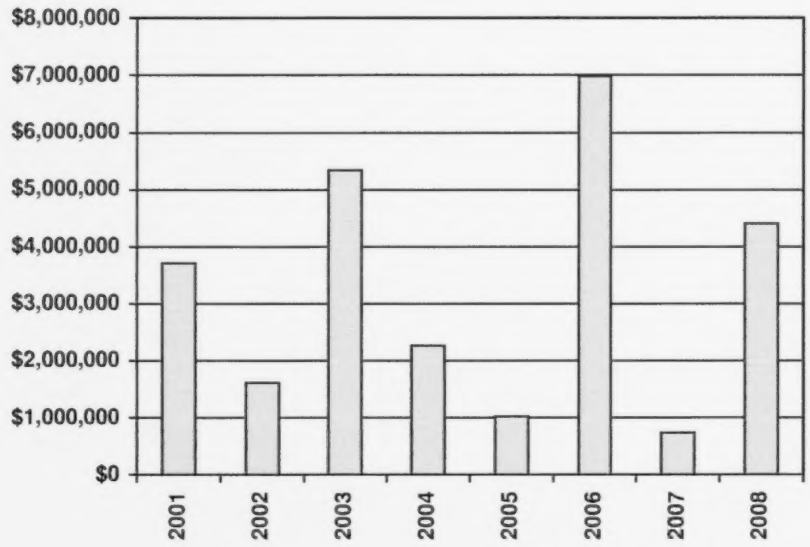
In 2008, Regina was pledged $20 million from the Federal Government and $20 million from the Provincial Government for Evraz Place through BCF funding.

Provincial Capital Grants

The Province of Saskatchewan announced $19.5 million, one time funding in 2009, for the Municipal Economic Enhancement Program (MEEP). The majority of the funding will be used for roads and street infrastructure renewal, Lawson Pool, and the Global Transportation Hub (GTH).

The following graph shows total Provincial capital grants received by the City of Regina since 2001:

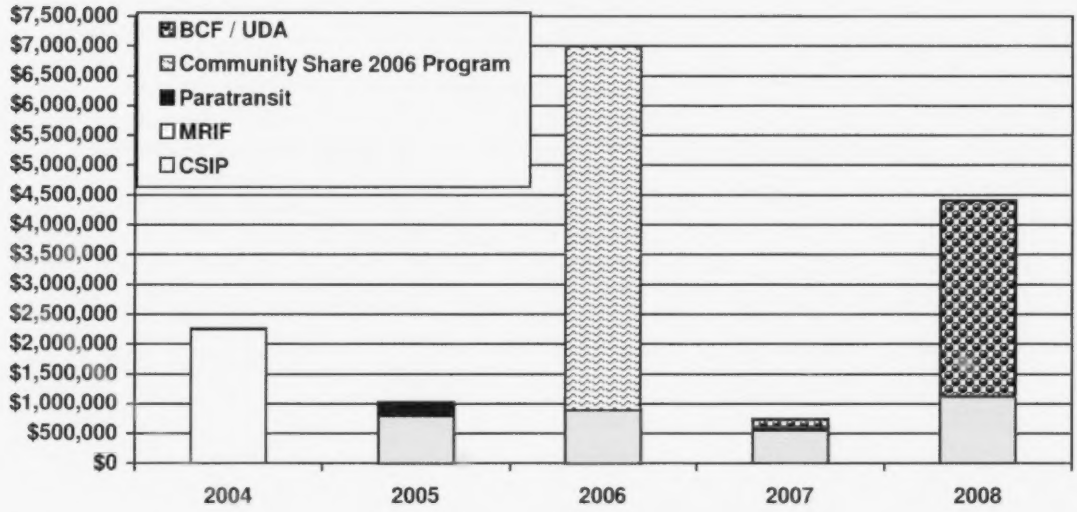
Provincial Capital Grants



In January 2008, Alberta released a twenty year Strategic Plan on Infrastructure, which will provide about $3.3 billion to Calgary over ten years. Eligible projects include the expansion of the light rail transit system and recreational and cultural facilities. For 2008/09, Calgary will receive the equivalent of about $143 per person. Calgary will also receive about $60 per capita under the Alberta Cities Transportation Partnership for transportation projects, and about $180 for general municipal funding under the Alberta Infrastructure program. These programs are provincial programs, in addition to the Gas Tax, MRIF, and Building Canada programs. Based on a per capita equivalent, for Regina, this would total about $76 million per year.

The following graph provides information on the Provincial capital grants since 2004. The grants do not include the contribution from the Provincial Government to community projects. The Province provided funding for two major community projects - $5 million in 2004 for the Wascana Lake Deepening project in Wascana Park, and $4 million in 2005 for the Credit Union EventPlex at Regina Exhibition Park. The projects were part of the Canada Strategic Infrastructure Fund and costs were shared with the City and the Federal Government. The projects are of significant benefit to the community; however, they were not related to reducing the City's infrastructure deficit and are not City facilities.

Provincial Capital Grants



Three years ago, the Federal Budget included the following remarks:

> *"Federal investments in infrastructure are significant, but this funding needs to be put on a long-term track to allow for long-term planning, especially given the time spans involved in planning and building major infrastructure projects."* – Federal Budget 2006 – Restoring Fiscal Balance in Canada – Focusing on Priorities.

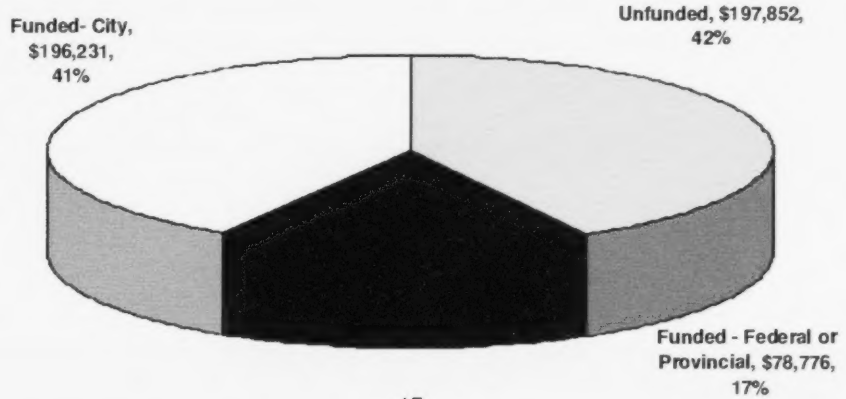
It is clear that there are still challenges in achieving this. In the face of this uncertainty, municipal councils cannot afford to wait until occurrences like the water quality problems of Walkerton and North Battleford and bridge collapses in Laval and Minneapolis draw further attention to the issue. The 2009 – 2013 General Capital Investment Program does not meet all of the City's required infrastructure needs, but reflects a responsible approach, using all tools available to address our community's priorities.

General Capital Investment Program Expenditures

Capital Expenditure Summary

Capital Expenditures ($000's)	2009	2010	2011	2012	2013	Five Year Total
Public Works Division						
Transportation	**22,787**	23,558	24,816	28,536	31,121	130,818
Waste Management	**3,290**	15,200	10,295	13,270	2,018	44,073
Other Capital Projects	**160**	840	4,650	150	150	5,950
	26,237	39,598	39,761	41,956	33,289	180,841
Community & Protective Services Division						
Recreation Facilities	**581**	7,600	7,618	3,218	3,200	22,217
Outdoor Athletic Surfaces & Facilities	**90**	170	195	241	215	911
Open Space	**550**	3,970	3,728	3,580	2,565	14,393
Streetscape	**325**	310	320	330	340	1,625
Cemeteries	**135**	90	115	50	45	435
Golf Courses	**240**	290	370	290	310	1,500
Fire	**25**	2,084	1,430	1,193	813	5,545
Transit	**6,490**	5,405	5,440	4,766	4,860	26,961
Other Capital Projects	**550**	583	-	-	-	1,133
	8,986	20,502	19,216	13,668	12,348	74,720
Planning & Development Division						
Roadway Network Improvements	**10,650**	18,110	12,355	11,760	23,275	76,150
Land Development	**300**	2,500	2,700	3,500	4,000	13,000
City Centre Development	**5,950**	1,900	3,300	3,800	3,500	18,450
	16,900	22,510	18,355	19,060	30,775	107,600
Corporate Services Division						
Fleet	**4,782**	4,632	4,839	4,460	4,596	23,309
Facilities	**8,232**	15,274	11,296	9,422	11,796	56,020
Information Technology	**1,531**	4,583	2,870	2,402	1,250	12,636
	14,545	24,489	19,005	16,284	17,642	91,965
Regina Police Service	**1,352**	1,197	6,359	6,185	2,640	17,733
Total Capital Expenditures	**68,020**	108,296	102,696	97,153	96,694	472,859

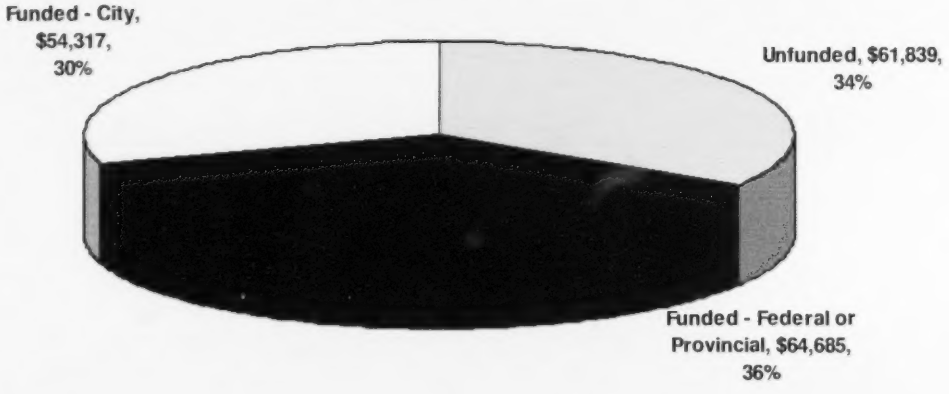
The following chart shows the identified capital requirements for the Corporation over the next five years, and reflects the current funding sources as well as the funding gap.



Public Works Division

Capital Program Summary

	2009	2010	2011	2012	2013	Five Year Total
Capital Expenditures ($000's)						
Transportation						
Street Infrastructure Renewal	**15,000**	18,000	21,000	24,000	27,000	105,000
Bridge Infrastructure Renewal	**5,600**	2,900	1,250	1,520	1,205	12,475
Traffic Control and Safety	**2,137**	2,483	2,486	2,536	2,836	12,478
Other Transportation Projects	**50**	175	80	480	80	865
Waste Management						
Landfill	**1,990**	15,000	9,575	12,550	1,378	40,493
Waste Collection	**1,300**	200	720	720	640	3,580
Other Capital Projects	**160**	840	4,650	150	150	5,950
Total Expenditures	**26,237**	39,598	39,761	41,956	33,289	180,841
Capital Funding ($000's)						
Current Contributions to Capital	**2,581**	2,355	2,445	2,303	2,573	12,257
Debt	**-**	-	-	-	-	-
Gas Tax Grant	**11,100**	10,700	10,700	11,100	11,100	54,700
Landfill Reserve	**1,990**	15,000	9,575	11,672	1,378	39,615
Servicing Agreement Fees - Roads	**76**	38	114	76	76	380
Contributions from Developers	**345**	160	280	260	260	1,305
Provincial Capital Grants	**9,985**	-	-	-	-	9,985
Other External Contributions	**-**	-	-	-	-	-
Asphalt Plant Reserve	**160**	150	150	150	150	760
Total Funding	**26,237**	28,403	23,264	25,561	15,537	119,002
Funding Shortfall	**-**	11,195	16,497	16,395	17,752	61,839
Total	**26,237**	39,598	39,761	41,956	33,289	180,841



The previous table and the chart show capital requirements for the Division over the next five years and reflect the current funding sources as well as the funding gap. It should be noted that the capital expenditures shown for street and bridge infrastructure renewal do not reflect the full investment required to maintain the roadway and bridge infrastructure at an optimal condition level or age. The expenditures shown for street infrastructure renewal are generally reflective of maintaining an equivalent financial investment to that of 2008. This means the condition of the street infrastructure will continue to decline with the expenditures identified. To return and maintain the average age and condition of the street infrastructure system closer to that expected at mid life, it is estimated that an additional investment in the order of $45 million per year is required beyond the figures shown. For Bridge Infrastructure Renewal, an additional $4 to $5 million per year after 2009 is required to return and maintain the bridge infrastructure to an optimal level.

Street Infrastructure Renewal

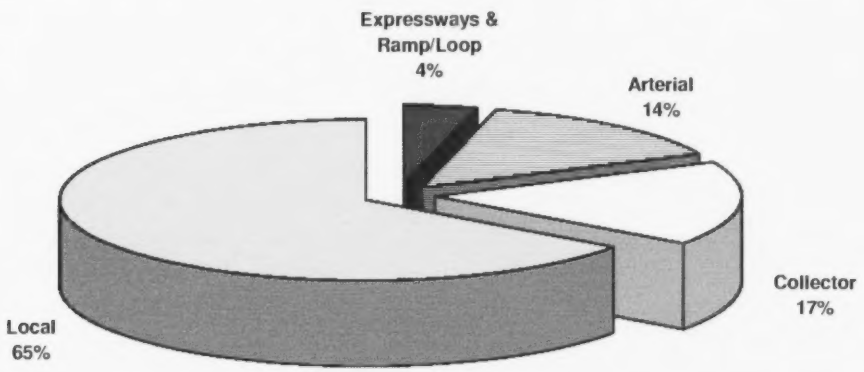
Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. **Street Infrastructure Renewal** - Asphalt resurfacing and concrete repair, consulting services, pavement asset management, local improvement walk, curb and gutter replacement, and reconstruction and resurfacing of roadways in conjunction with local improvement work.	**15,000**	18,000	21,000	24,000	27,000
Total Expenditures	**15,000**	18,000	21,000	24,000	27,000
Capital Funding					
Other Provincial Grants	**9,400**	-	-	-	-
Gas Tax Grant	**3,610**	-	1,875	5,805	9,117
Landfill Reserve	**1,990**	7,549	3,310	3,348	246
Current Contributions to Capital	**-**	156	118	38	385
Total Funding	**15,000**	7,705	5,303	9,191	9,748
Funding Shortfall	**-**	10,295	15,697	14,809	17,252
Total	**15,000**	18,000	21,000	24,000	27,000

Roadways rate one of the highest in terms of the most important service issue and lowest in terms of satisfaction with the service. Transportation infrastructure includes:

- 920 kilometres of paved roads,
- 29 kilometres of gravel roadways; and
- 1,307 kilometres of sidewalks.

The functional classification of the road inventory is shown in the following graph.

Road Network Classification



Rehabilitation of existing roads refers to reconstruction and various resurfacing treatments. Two types of reconstruction are used. The first type consists of completely removing the road structure and rebuilding the road from the subgrade up. The second type is a treatment called full depth reclamation where the road structure is pulverized, additives are added, and the structure is re-laid. Road reconstruction is typically required in year 45 of a road life cycle.

The resurfacing treatments used include plane and pave, overlays and micro surfacing. The plane and pave treatment consists of planing off a layer of old asphalt and replacing it with a new asphalt surface that is usually thicker than the one that was removed. The overlay treatment consists of laying a new asphalt layer over existing old asphalt surface with minimal or no planing prep work. The micro surfacing treatment consists of laying a very thin layer of modified asphalt over an existing asphalt surface. The resurfacing treatments are typically applied at various stages in a road life-cycle. Micro surfacing would be used earlier in the life-cycle where the plane and pave or overlay treatments may be used at year 15 or 20 in a road life cycle.

The 45-year life cycle of a road typically involves a combination of resurfacing activities until reconstruction is required.

The amount of road rehabilitation (reconstruction and resurfacing) that has been accomplished since 1993 is shown in the following table.

Road Rehabilitation (Kilometres)

Year	Street Reconstruction			Street Resurfacing	Total Rehabilitation
	Collectors & Arterials	Local Streets	Total		
1993	3.3	2.3	5.6	7.7	13.3
1994	0.3	1.6	1.9	26.8	28.7
1995	0.8	1.5	2.3	8.5	10.8
1996	0.3	0.8	1.1	10.0	11.1
1997	2.7	1.3	4.0	12.2	16.2
1998	0.8	0.2	1.0	9.4	10.4
1999	1.9	1.3	3.2	16.6	19.8
2000	2.0	1.8	3.8	13.0	16.8
2001	1.2	1.4	2.6	17.0	19.6
2002	0.9	0.8	1.7	15.9	17.6
2003	0.7	-	0.7	20.3	21.0
2004	0.5	-	0.5	19.3	19.8
2005	0.4	-	0.4	24.1	24.5
2006	2.2	0.3	2.5	23.7	26.2
2007	-	2.4	2.4	25.9	28.3
2008	0.5	0.2	0.7	34.5	35.2
		Annual Average	**2.1**	**17.8**	**20.0**

To address the infrastructure gap in pavements, the rehabilitation program would require 20 km of road reconstruction and 60 km of road resurfacing per year. As shown in the previous table, the average amount of road reconstruction is approximately 2.2 km per year, about one-eighth of the amount required to address the gap. Road resurfacing averages 17.4 km per year, or about one-quarter of the amount required.

Recently, Public Works began investigating the use of contemporary asset management techniques to develop a holistic approach to the investment in the City's roadways. The focus involves developing and implementing the most cost efficient maintenance strategies on the right roads at the right time. This approach achieves effective investment in roadways, as well as maintaining an acceptable level of service. As the City utilizes more preservation treatments, which have lower unit costs, the length of roadways rehabilitated will increase.

The cost of resurfacing is substantially less than reconstruction. The estimated cost comparison based on work undertaken in Regina is as follows:

- For arterial streets, the cost per square meter for reconstruction is $65, compared to a cost of $23 for resurfacing.
- For collector streets, the cost per square meter for reconstruction is $56, compared to a cost of $19 for resurfacing.
- For local streets, the cost per square meter for reconstruction is $54, compared to a cost of $17 for resurfacing.

The cost of reconstruction is from 2.5 to 3.2 times the cost of resurfacing. If the capital investment for resurfacing does not occur at the right time, there is increased risk that reconstruction will have to occur at an earlier date than otherwise would be the case.

Funding for road rehabilitation is insufficient to meet current requirements, let alone address the backlog created by the shortfall in funding in prior years. In the last three years, increased funding for roadways has resulted in a slight increase in rehabilitation work on the roadways. A greater length of rehabilitation work was completed during the years increased funding was available from infrastructure programs.

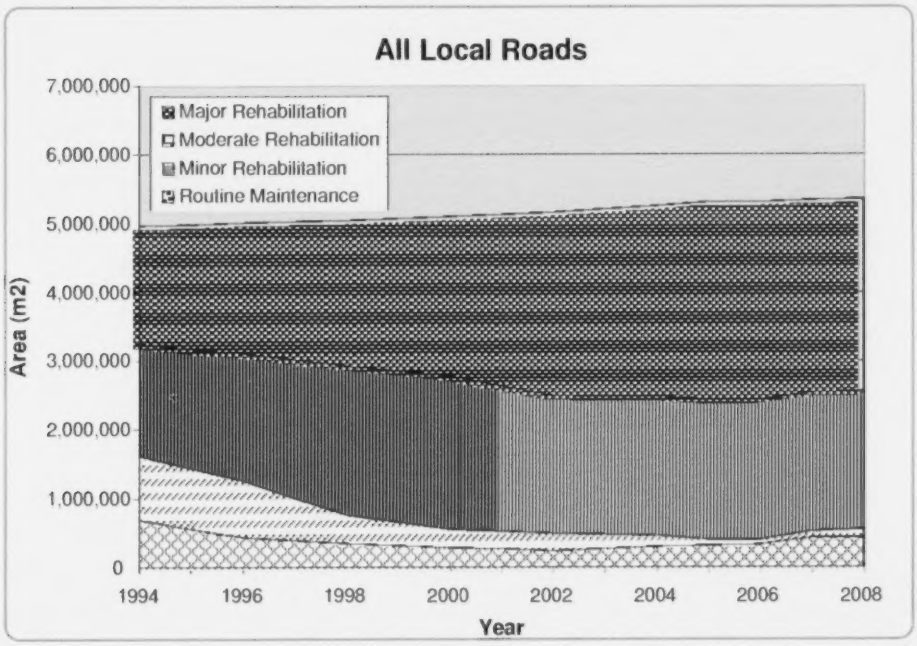
The City continues to focus rehabilitation on major roadways and collector roadways to provide the most benefit to all motorists. Studies have shown that 80% of the traffic travel occurs on 20% of the total road network. Funding for roadway infrastructure renewal is currently prioritized as follows (from highest to lowest priority):

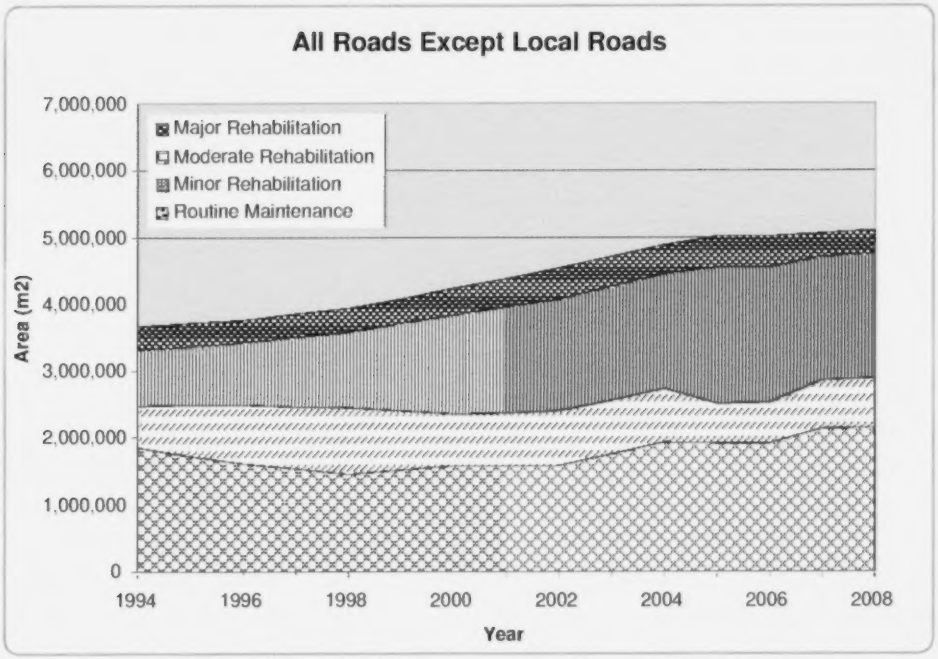
- Expressways and arterial roadways.
- Collector roadways and bus routes.
- Major local roadways – commercial, industrial, institutional, bus routes.
- Local roadways.

The result of this strategy is reasonable attention to major roads with minimal funding for local streets. As evidenced by the following two graphs, all roads not including residential locals (ie expressways, arterials, collectors and commercial/industrial locals) needing major, moderate and minor rehabilitation has remained fairly constant in the last 12 years. With the residential locals however, the balance has shifted to a need for more major rehabilitation treatments. The percentage of the residential local network in the major rehabilitation category has increased from 35% to 53% while the percentage of the residential local network in the maintenance category has reduced from 14% to 8%.

A portion of Street Infrastructure Renewal Program's funding will go to hiring of two senior engineers to support the long-term investment strategy and program development for increased infrastructure investment.

Road Rehabilitation Needs





Bridge Infrastructure Renewal

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. **Bridge Infrastructure Renewal**-Correction of structural deficiencies, inspection and engineering related to the safety and renewal of existing bridges.	**5,600**	2,900	1,250	1,520	1,205
Total Expenditures	**5,600**	2,900	1,250	1,520	1,205
Capital Funding					
Gas Tax Grant	**5,500**	-	-	-	605
Landfill Reserve	**-**	2,300	650	-	-
Current Contributions to Capital	**100**	100	100	1,020	100
Total Funding	**5,600**	2,400	750	1,020	705
Funding Shortfall	**-**	500	500	500	500
Total	**5,600**	2,900	1,250	1,520	1,205

The Albert Memorial Bridge is scheduled for repair in 2009 and is considerably more expensive to rehabilitate than other bridges. The repair work entails repairing the arch, sidewalk, and deck slab; filling the voids beneath the bridge deck; and repairing the architectural components.

The City's transportation network includes 36 bridge or overpass sites, including eight rail overpasses, nine grade separations and bridges, 18 water overpasses and one pedestrian overpass.

The Bridge Infrastructure Renewal Program provides for condition surveys and engineering designs to complete major repairs to bridges, to extend their life expectancy by another 20 to 25 years. The average life expectancy of a new bridge is 30 years. With the current level of funding, approximately one bridge site per year can be repaired. Based on current funding levels, after repairs are done, it could be 35 years before that particular bridge site will receive major work again. Since the program started in 1988, work on 20 of the City's 36 bridge sites has been completed.

Each year condition surveys are carried out on the bridges. The results of these surveys are used to identify the required work. Based on the results of the surveys and the funding available, priorities are established. Typical bridge rehabilitation includes repairs to deteriorated sidewalks, deck surfaces, asphalt wearing surfaces, concrete barriers, expansion joints, safety curbs, slope protection, and the approaches on both ends of the deck.

Traffic Control and Safety

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Traffic Improvements:					
- Traffic Management and Parking	**342**	348	348	398	398
- Expressway Light Rehabilitation	**490**	430	430	430	430
- Pedestrian Protection	**95**	95	98	98	98
- LED Replacement Program	**95**	195	195	195	100
- LED Rehabilitation Program	**-**	-	-	-	195
- Anti-Whistling	**45**	45	45	45	45
- Street Lighting	**70**	70	70	70	70
- New or Enhanced Traffic Signals	**600**	600	600	600	600
- Traffic Signal Rehabilitation	**400**	700	700	700	900
Total Expenditures	**2,137**	2,483	2,486	2,536	2,836
Capital Funding					
Current Contributions to Capital	**1,131**	1,544	1,427	973	2,008
Servicing Agreement Fees - Roadways	**76**	38	114	76	76
Landfill Reserve	**-**	741	665	1,227	492
Other Provincial Grants	**585**	-	-	-	-
Contributions from Developers	**345**	160	280	260	260
Total Funding	**2,137**	2,483	2,486	2,536	2,836
Funding Shortfall	**-**	-	-	-	-
Total	**2,137**	2,483	2,486	2,536	2,836

There is significant infrastructure in place to provide for the safe and effective use of the transportation system. The infrastructure is intended to address the needs of traffic and pedestrian users of the system.

Traffic Improvements

- **Traffic Management and Parking** – Improvements at intersections include better channelization, signing, lane designation, pavement markings, warning devices, additional turning lanes, improved horizontal and vertical alignments, traffic calming, and removal of sightline impediments. Intersections are analyzed for improvements based on accident statistics, traffic counts, public concerns and observations. This program also includes the installation of parking restrictions, loading zones and parking meters. Initiatives include:

  - Small intersection improvements, high visibility pavement markings, testing of new pavement marking materials and signs throughout the City.

  - Traffic Calming – This initiative implements various solutions to discourage speeding at various locations throughout the City. Possible solutions include speed cushions, curb extensions, and pavement markings. Planned projects in 2009 include curb extensions on Dewdney Avenue at Judge Bryant School.

  - A portion of this program's funding will go to the hiring a portion of one additional project engineer. This position will add extra capacity and help to deliver new and existing initiatives within the Traffic Management and Parking, Pedestrian Protection and Anti-Whistling programs.

- **Expressway Light Rehabilitation Program** – This is a program to replace the existing expressway lighting infrastructure as the ageing infrastructure is experiencing increased failures and much of the equipment has reached or exceeded its expected life span. Underground wiring, cabinet, cabinet components, and breakaway pole bases will be replaced in this program. This program will

rehabilitate the City's current inventory of 775 expressway poles and the 16 associated control cabinets over an expected 8-year time frame.

- **Pedestrian Protection** – Improvements include the installation of pedestrian corridors, pedestrian half signals, pedestrian crosswalk signs, no parking signs, and the installation of fence adjacent to high-speed roadways. The program also includes public awareness advertising to educate pedestrians and motorists on the proper usage of pedestrian safety devices, particularly for school-aged pedestrians.

  Major projects for 2009 include installation of a safety fence along the west side of Albert Street south of Southland Mall, and a pedestrian ramp installation at Albert Street and 20th Avenue. Also, a portion of this program's funding will go to the hiring of a portion of one additional project engineer. This position will add extra capacity and help to deliver new and existing initiatives within the Traffic Management and Parking, Pedestrian Protection and Anti-Whistling programs.

- **LED Replacement Program** – This is a new program to replace all incandescent traffic signal bulbs with an LED equivalent. The initial replacement is planned over a six-year period to align with the life cycle of LED bulbs and to ensure that work can be completed in conjunction with other planned work. This program will result in electricity cost savings and will meet anticipated legislative requirements banning the sale of incandescent light bulbs by 2012.

- **LED Rehabilitation Program** – Beginning in 2013, this program will replace LED traffic signal bulbs based on the five-year life cycle of an LED bulb.

- **Anti-Whistling** –There are a total of 59 at-grade railway crossings in the city. Each crossing is provided with a warning device. The standard warning device consists of railway cross arms (signs) with reflectors. Higher volume crossings have additional warning in the form of automatic warning systems (signals). Some at-grade crossings are subject to prohibitions on the blowing of engine whistles (anti-whistling). Train operators are required by law to blow their whistle at all railway roadway crossings except when anti-whistling agreements are in place.

  The City identified twenty of the railway crossing locations with automatic crossing protection where anti-whistling agreements would be requested. All locations that are slated for anti-whistling must pass safety inspections that often result in upgrades to the warning devices. Crossing upgrades have been completed at 15 of the designated locations (eight on Canadian Pacific and seven on Canadian National crossings). Anti-whistling has been approved by Transport Canada and implemented at five of the 15 locations. The funding in the budget is to improve safety at locations where anti-whistling is planned.

  A portion of this program's funding will go to the hiring of a portion of one additional project engineer. This position will add extra capacity and help to deliver new and existing initiatives within the Traffic Management and Parking, Pedestrian Protection and Anti-Whistling programs.

- **Street Lighting** –Streetlights are installed and maintained by SaskPower, with funding provided by the City. The capital program is intended to install new streetlights along roadways that do not have lights or to upgrade lighting levels on streets with lights to meet the City's minimum illumination standard. Operating costs to the City are increased each time a new streetlight is installed. Estimated increased operating cost to the City per new streetlight is $250 per year. For 2009, major projects include installation of streetlights at various locations where streetlights do not exist.

- **New or Enhanced Traffic Signals** –Typical projects range from installation of a complete set of new traffic signals at an intersection, to minor phasing changes. Signal phasing changes involve modifying signal plans in response to changing traffic patterns. Locations are determined after analysis, consultation with residents, and submission of a report to the Works and Utilities Committee. The installation of new signals or improvements to existing signals reduces the potential for collisions, reduces congestion and delay in the movement of people and goods, and reduces harmful emissions caused by idling vehicles. The funding typically accommodates five new signalized intersections a

year with a cost of $100,000/intersection. Remaining funds are used for other work, including the installation of audible pedestrian indications and new left turn indications.

- **Traffic Signal Rehabilitation** – This is an ongoing project that will replace traffic signal poles, ducts, and wiring. This equipment has an expected life span of 25 years at which time poles and their components should be replaced. Some rehabilitation work will take place through the traffic signal system upgrade. Program locations are selected based on the condition of the signal and coordination with major roadway improvement projects. Four locations have been identified for rehabilitation work in 2009.

Other Transportation Projects

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Transportation Projects					
- Ring Road Sign Rehabilitation Program	-	75	30	30	30
- Tourist Signing - Phase II and III	-	50	-	400	-
- Railroad Crossing - Street Infrastructure Renewal	50	50	50	50	50
Total Expenditures	50	175	80	480	80
Capital Funding					
Current Contributions to Capital	50	175	80	272	80
Other External Contributions	-	-	-	-	-
Other Provincial Grants	-	-	-	-	-
Total Funding	50	175	80	272	80
Funding Shortfall	-	-	-	208	
Total	50	175	80	480	80

- **Ring Road Sign Rehabilitation Program** – At the present time, there are 44 large information signs and 13 exit signs along Ring Road from Victoria Avenue to Pasqua Street. These signs are beyond their design life and are deteriorating rapidly. The cost to replace all the information, exit signs and support posts is estimated at $300,000 if done as a single year project. This program replaces six to ten signs per year and is ongoing until all signs have been replaced.

- **Tourist Signing – Phase II and III** – In 2010, $50,000 is provided to implement the second phase of the Tourist Signing Program. Phase II involves additional entrance signing on the highways that are currently not signed and on Regina Avenue at the airport, as well as more trailblazer signs leading to attractions. Phase I occurred in 2003. In 2012, $400,000 is provided for Phase III which provides two additional gateway signs that welcome visitors to Regina on Highway No. 6 from the north and the south, an array of signs leading visitors to tourist attractions and to motorist services for north Regina, and three variable message signs located at City entrances on the Trans Canada Highway east and west and also along Highway No. 11. These signs can be programmed and provide an opportunity to promote special events. There is a funding gap of $208,000 in relation to this project.

- **Railroad Crossings Street Infrastructure Renewal** –There are a total of 59 at-grade railway crossings in the city. The funding provided is to upgrade the roadway condition at the railroad crossings. This program is coordinated with Canadian National Railway and Canadian Pacific Railway program to upgrade the railroad tracks at the crossings. Two or three crossings are upgraded every year.

Landfill

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Fleet Street Landfill:					
- Landfill Capping and Closure	**1,000**	7,200	7,200	7,200	1,378
- Landfill Gas Collection Phase II	**-**	-	1,100	-	-
- Integrated Solid Waste Management System	**-**	200	450	5,350	-
2. New Landfill:					
- New Landill Development-Engineering Design & Construction	**990**	7,600	825	-	-
Total Expenditures	**1,990**	15,000	9,575	12,550	1,378
Capital Funding					
Landfill Reserve	**-**	3,800	450	6,377	-
Current Contributions to Capital	**-**	100	-	-	-
Gas Tax Grants	**1,990**	10,700	8,825	5,295	1,378
Total Funding	**1,990**	14,600	9,275	11,672	1,378
Funding Shortfall	**-**	400	300	878	-
Total	**1,990**	15,000	9,575	12,550	1,378

The City's landfill is located in the northeast corner of the city. The landfill has been in operation at the site since 1961. The entire site occupies approximately 124 hectares, with the approved footprint of the landfill disposal mound covering approximately 60 hectares. The current height of the landfill is approximately 45 meters above the surrounding landscape.

In the mid 1980's, a comprehensive Waste Management Study was initiated and completed in 1989. The study addressed the City's future landfill needs. Following a process for public input in April 1991, City Council decided to proceed with plans to develop a new sanitary landfill adjacent to the existing site. The development of a landfill requires review and approval by Saskatchewan Ministry of Environment. Since 1991, additional reports were prepared. In 1995, The Fleet Street Landfill Optimization Study was completed. This study examined ways to optimize landfill operations to prolong the life of the current site. The current solid waste disposal site had an expected life of approximately two to four years as of 2008. Current fill progression is approximately on target with the projections. The projected time that the current landfill will be at capacity is between 2010 and 2012.

Fleet Street Landfill

Funding will cover consulting, contractors, property, materials and any other work, resources, staff, technologies or support related to each of the projects described below:

- **Landfill Capping and Closure** – Costs for the existing landfill on Fleet Street include closure and post closure costs. The projected costs are in the range of $23 million. Funding is for engineering related to cover design, a closure plan update and design and construction of the cover. In 2009, $1 million is provided and in 2010, $7.2 million is provided for engineering design, cover material, borrow pit acquisition and development. In 2011 to 2013, cover placement is scheduled to begin on portions of the landfill that are at final configuration with further allocations of $7.2 million in 2011 and $7.2 million in 2012, and $1.4 million in 2013 respectively.

- **Landfill Gas Collection Phase II** – Landfill gas is produced from the anaerobic decomposition of organic wastes deposited in landfills. Landfill gas is mainly composed of methane and carbon dioxide with other gases in trace amounts. The gas produced at the landfill must be managed or it will continue to be a source of pollution and may hinder closure activities.

- **Integrated Solid Waste Management System** – Allowances are provided in 2010, 2011, and 2012 of $200,000, $450,000, and $5,350,000 respectively to pre-design, detail design and construct selected additions to the Integrated Solid Waste Management System that are adopted from the recommendations of the Solid Waste Management Strategy Plan when complete.

The City has currently completed constructing Phase I of the gas collection system. Funding for Phase 2 of the collection system is scheduled in 2011.

New Landfill

Funding will cover consulting, contractors, property, materials and any other work, resources, staff, technologies or support related to each of the projects described below:

The 2009 – 2013 General Capital Program provides funding for regulatory approval for a new landfill development adjacent to the existing site, engineering design and construction costs for the first cell. The total projected cost for a new landfill based on the first stage expansion is in the range of $90 million over the next 80 years. Construction of a new landfill would involve development of cells with a capacity for five years. The cost of each cell is estimated at $8 million. Once the capacity of each cell is reached, the cell would be closed. The expansion plan provides for upwards of an 80-year landfill life. This lifespan could be extended pending potential future waste diversion programs.

A new landfill must be approved by Saskatchewan Ministry of Environment. The Environmental Impact Assessment and preliminary design is near completion and will be submitted to Saskatchewan Ministry of Environment in the spring of 2009.

An important component of an Environmental Impact Assessment is public participation. The public were involved early in the project in order to identify the issues that should be addressed in the impact assessment. Documentation of concerns arising out of public consultations is part of the Environmental Impact Assessment.

Engineering Design and Construction – Conceptual/preliminary design work for a new landfill was completed during the Environmental Impact Assessment process for preparation of the Environmental Impact Statement. Detailed design will proceed in 2009 assuming the project is approved by the Ministry of Environment. $990,000 is allocated in 2009 for engineering design and $7,600,000 in 2010 and $825,000 in 2011 for the construction of the first phase of new landfill cell development.

Waste Collection

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. **Solid Waste**					
- Back Alley Shared Container Replacement	**20**	-	-	-	-
- Conversion to Automated Cart Collection	**1,280**	200	720	720	640
Total Expenditures	**1,300**	200	720	720	640
Capital Funding					
Current Contributions to Capital	**1,300**	200	720	-	-
Landfill Reserve	**-**	-	-	720	640
Total Funding	**1,300**	200	720	720	640
Funding Shortfall	**-**	-	-	-	-
Total	**1,300**	200	720	720	640

- **Back Alley Shared Container Replacement** – Funding originally was planned to replace all back-alley containers; that program is half-complete and was suspended in 2007 due to uncertainty over the long-term sustainability of this service delivery mechanism. The $20,000 funding requested is to maintain the existing service until a new service is defined and implemented.

- **Conversion to Automated Cart Collection** – 2009 funding is for purchase and deployment of carts, which will complete the phase out of manual collection to automated cart collection.

Other Capital Projects

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. **Asphalt Plant**					
- Upgrade of Major Components of Asphalt Plant	**140**	150	150	150	150
- Coring Machine	**20**	-	-	-	-
- Granular Material Salt Management	**-**	80	-	-	-
2. **Snow Dump Site**					
- New Snow Dump Site	**-**	610	4,500	-	-
Total Expenditures	**160**	840	4,650	150	150
Capital Funding					
Current Contributions to Capital	**-**	80	-	-	-
Landfill Reserve	**-**	610	4,500	-	-
Asphalt Plant Reserve	**160**	150	150	150	150
Total Funding	**160**	840	4,650	150	150
Funding Shortfall	**-**	-	-	-	-
Total	**160**	840	4,650	150	150

Asphalt Production and Field Services

The asphalt plant produces asphalt to meet the City's needs for pothole patching, asphalt recapping, and the construction and reconstruction of roads. The charge for asphalt includes funding for the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a $5.00 per tonne charge on the asphalt produced. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. All asphalt production capital projects are funded from the Asphalt Plant Reserve. Capital projects include:

Upgrade of major components of asphalt plant – $140,000 in 2009 and $150,000 for each year from 2010 to 2013. This is a general allocation for upgrading components of the asphalt plant such as pug mill, screen deck, conveyors, dryer or weigh scales. The component selected for replacement or upgrade will be based on a cost/benefit analysis. The 2009 portion will be used for replacement of all control wiring, a portion of high voltage wiring, and rebuilding of the pug mill.

Coring machine for $20,000 in 2009 – This funding request is to purchase a Core Drill Trailer System for taking core samples of existing road structures prior to designing of the new structure. This complete stand-alone core drill rig offers field independence, versatility, dependability, and easy single person operation. Currently coring is contracted out every year at the average cost of $4,000/year paid by capital budget. Currently, City Testing Lab personnel assist and supervise coring done by contractors. If the equipment is owned and coring is done by lab personnel, there will be no requirement for additional staffing. The simple payback on this project is five years.

Granular Material Salt Management for $80,000 in 2010 – This project may include paving of additional area for stockpiling salt mixtures and capturing runoffs to remove salt prior to the water entering the sewer system.

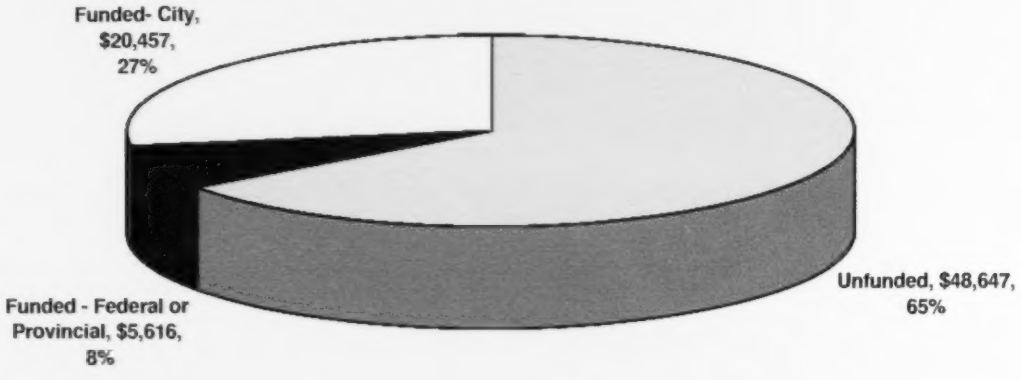
New Snow Dump Site – In 2010, $610,000 is provided for engineering, site preparation and grading. In 2011, $4,500,000 is required for construction including a lined snow melt storage pond and a paved disposal pad.

Community & Protective Services Division

Capital Program Summary

	2009	2010	2011	2012	2013	Five Year Total
Capital Expenditures ($000's)						
Recreation Facilities	**581**	7,600	7,618	3,218	3,200	22,217
Outdoor Athletic Surfaces & Facilities	**90**	170	195	241	215	911
Open Space	**550**	3,970	3,728	3,580	2,565	14,393
Streetscape	**325**	310	320	330	340	1,625
Cemeteries	**135**	90	115	50	45	435
Golf Courses	**240**	290	370	290	310	1,500
Protective Services	**25**	2,084	1,430	1,193	813	5,545
Transit	**6,490**	5,405	5,440	4,766	4,860	26,961
Other Capital Projects	**550**	583	-	-	-	1,133
Total Expenditures	**8,986**	20,502	19,216	13,668	12,348	74,720
Capital Funding ($000's)						
Current Contributions to Capital	**2,671**	2,509	2,699	2,907	2,894	13,680
Debt	**-**	-	-	-	-	-
General Fund Reserve	**-**	500	-	-	-	500
Servicing Agreement Fees - Parks	**309**	1,531	604	614	623	3,681
Cemetery Reserve	**135**	90	115	50	45	435
Golf Course Reserve	**240**	290	370	290	310	1,500
Transit Equipment Replacement Reserve	**-**	-	40	46	-	86
Federal Transit Grant	**5,616**	-	-	-	-	5,616
Dedicated Lands Reserve	**-**	-	-	490	-	490
Other External Contributions	**15**	15	15	25	15	85
Total Funding	**8,986**	4,935	3,843	4,422	3,887	26,073
Funding Shortfall	**-**	15,567	15,373	9,246	8,461	48,647
Total	**8,986**	20,502	19,216	13,668	12,348	74,720

The following chart shows the identified capital requirements for the Division over the next five years, and reflects the current funding sources as well as the funding gap.



The Need for Capital Investment

The Capital Program for Community & Protective Services covers restoration, refurbishing, upgrading, and new development or purchase for the Division's assets and equipment. These categories allow for a systematic review and prioritization of capital project requests.

- **Restoration** – returns deteriorated assets or amenities to their original condition when the asset or amenity has deteriorated to the extent that it can no longer fulfill its original intended purpose or presents a safety hazard.
- **Refurbishing** – involves a significant overhaul of the asset or equipment that extends its useful life.
- **Upgrading** – improves an existing asset or amenity when the quality is below an acceptable level, there is a demonstrable need for additions, or there is an opportunity for enhancement from a technologically ecological or environmental perspective.
- **Development or Purchase** – creates a new asset or amenity where demanded by growth, or where restoration or upgrading will no longer meet the needs.

Typically, emphasis has been placed upon maximizing the long-term sustainability and therefore the use of, our existing assets, and equipment before creating or buying new capital assets. At the same time, a municipality must balance the need for additional infrastructure related to growth and changing community needs.

When determining the funding sources for the 2010 – 2013 portion of the Capital Program, it was assumed that the Division's share of current civic contributions to capital projects would be based on the Division's 2008 share of $2,671,000, with an annual increase of 3%. It was also assumed that the Division would not incur any new debt. Given these constraints, there is a shortfall between the sources of funding available to the Division and the Division's capital expenditures for the period, which are based upon the Division's current understanding of its capital requirements.

Completion of some key reviews such as the Recreation Facility Master Plan, the Transit Service Review, and a Protective Services Master Plan are required to provide sound information on the future capital requirements to effectively manage our assets into the future.

- The Recreation Facility Master Plan, intended for completion in June 2009 will guide future investment in sport, culture and recreation facilities. At this point in time, it is anticipated that approximately $100 million dollars over ten years will be required to complete the recommendations in the Master Plan. This will include funding from the City as well as investment from the private sector, other orders of government and community partners.

- The Transit Service Review, which is currently underway, includes an examination of fleet requirements in relation to Transit service. It is anticipated that a more aggressive fleet replacement program will be necessary within the next few years. A conventional bus costs approximately $425,000, and a Paratransit bus costs approximately $100,000. Currently the fleet replacement program is funded by Federal grants. There is no assurance that this source of funding will be available in the future.

- In 2009, the Division will develop a Protective Services Master Plan, which will include components such as response capability objectives, incident management and emergency response operations, information technology and communication systems, personal protective equipment and fleet requirements. Replacement of front line apparatus and support/service vehicles is required to meet established service levels and to manage the repair and operating costs of ageing vehicles. There are industry standards for replacement of vehicles and apparatus. Current funding levels do not allow us to meet these standards. Replacement costs range from $200,000 to $1,800,000 per vehicle/apparatus, depending on type of unit and the availability of quantity discounts. Under the Protective Services equipment category the most critical need is the

replacement of Self Contained Breathing Apparatus. The equipment currently on hand will be at the end of its useful life in 2011. The replacement cost for this equipment is $600,000.

Recreation Facilities

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Recreation Facilities and Equipment	**181**	200	218	218	200
2. Recreation Facility Master Plan	**400**	3,000	3,000	3,000	3,000
3. North Central Shared Facility	-	4,400	4,400	-	-
Total Expenditures	**581**	7,600	7,618	3,218	3,200
Capital Funding					
Current Contributions to Capital	**566**	192	214	225	213
Other External Contributions	**15**	15	15	15	15
Total Funding	**581**	207	229	240	228
Funding Shortfall	-	7,393	7,389	2,978	2,972
Total	**581**	7,600	7,618	3,218	3,200

Recreation Facilities and Equipment – The City operates a variety of sport, culture and recreation facilities including the Sportplex (which is comprised of the Lawson Aquatic Centre and Fieldhouse), the North West and Sandra Schmirler Leisure Centres, the Neil Balkwill Civic Arts Centre, arenas, outdoor ice facilities, outdoor pools, neighbourhood and community centres, and outdoor athletic surfaces and facilities. The funding for the revitalization and sustainability of these recreation facilities is included in the Corporate Services Division's Budget.

Recreation Facility Master Plan – The capital funding currently available for sport, culture and recreation facilities for 2009 through 2013 provides for a minimum level of enhancements over the next five years. Through the development of the Recreation Facility Master Plan in 2009, a ten-year capital program will be developed to guide future investment in sport, culture and recreation facilities. It is anticipated that the level of funding to implement the plan will be in the range of $100 million dollars. The amount of City funding required will be dependent upon investment by the private sector, other orders of government and partnership opportunities. $400,000 in 2009 will fund a project manager to develop the plan, consulting services for cost estimating and relocation of the central scheduling office from the Sportplex to Evraz Place. This relocation will not only provide connectivity for scheduling to the ITS network, but will also provide future connectivity at the new fire hall No. 4.

North Central Shared Facility – To date, the North Central Shared Facility project has had a wide range of planning and community engagement activities and events undertaken with a diverse group of partners. This unique concept is intended to provide and deliver a mix of community based cultural, social, educational, recreation and health services using an integrated approach in one facility. This project will require financial contributions from all three orders of government and other partners. The planning for this facility targets construction in 2010-2011. As one of the partners in this project, the funding required from the City is $4.4 million dollars in each of 2010 and 2011. The total construction cost of the facility is anticipated to be $88,000,000.

Outdoor Facilities and Athletic Surfaces

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Outdoor Facilities and Athletic Surfaces:					
- Athletic field restoration and amenities	**90**	160	185	230	205
- Water service upgrades for outdoor rinks	**-**	10	10	11	10
Total Expenditures	**90**	170	195	241	215
Capital Funding					
Current Contributions to Capital	**90**	42	121	241	180
Total Funding	**90**	42	121	241	180
Funding Shortfall	**-**	128	74	-	35
Total	**90**	170	195	241	215

Athletic Fields – The Athletic Field Study, completed in 1996, organized athletic fields into formal groupings called classes on the basis of use, features, and location. The Athletic Field Study provides principles, guidelines, standards and policies to guide the development and management of Regina's athletic surfaces. To facilitate the athletic field development and upgrading process, the system includes criteria for prioritizing capital projects. Restoration of athletic fields (ie. football, soccer, baseball) is usually in response to playing surface deterioration due to heavy use. Restoration of amenities (ie. bleachers, scoreboards, goalposts) is usually a life cycle activity.

Inventory of Ball Diamonds and Athletic Fields

Class	1	2A	2B	3A	3B	4	Total
Baseball	2	1	0	48	0	0	51
Softball/Slo-Pitch	1	1	0	104	0	22	128
Athletic Fields	1	18	23	10	12	30	94
							273

Note: Use of Class 4 facilities is usually not scheduled.

Outdoor Rinks – In 2008, there were 66 outdoor ice surfaces at 44 locations throughout the City. The ice surfaces include 22 boarded surfaces, 42 pleasure skating surfaces, 2 pleasure skating lake sites, and the speed skating oval at Mount Pleasant Sport Park. The speed skating oval is a 400 metre, lighted track. Typically, capital funding for outdoor rinks is used to refurbish rink facilities, such as boards and warm-up/change buildings, to upgrade lighting and water services and to make energy efficiency improvements.

Open Space

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures- Parks and Open Space Department					
1. Open Space Restoration:					
- Open space restoration	**300**	395	395	405	497
- Kiwanis Waterfall Park	-	160	110	-	-
- AE Wilson Park	-	195	195	600	-
- Kinsmen Park South	-	-	-	400	-
- Water Features Restoration	-	25	-	-	-
- South Leisure Centre - Courtyard	-	-	10	-	-
2. Irrigation System Improvements	**150**	400	320	375	523
Capital Expenditures- Community Services Department					
3. Multi-Use Pathway System	-	1,650	400	900	400
4. Open Space Upgrades and New Development:					
- OSMS park upgrades	-	600	600	600	785
- CPTED improvements	-	25	-	25	-
- Rawlinson Crescent Park	-	220	1,248	-	-
5. Outdoor Play Amenities	**100**	300	450	275	360
Total Expenditures	**550**	3,970	3,728	3,580	2,565
Capital Funding					
Current Contributions to Capital	**550**	2,056	2,141	2,212	2,265
Dedicated Lands Reserve	-	-	-	490	-
Other External Contributions	-	-	-	10	-
Servicing Agreement Fees - Parks	-	1,237	300	300	300
Total Funding	**550**	3,293	2,441	3,012	2,565
Funding Shortfall	-	677	1,287	568	-
Total	**550**	3,970	3,728	3,580	2,565

Open Space Restoration, Upgrading, and Development – The City manages diverse open spaces with various levels of development and use. The open spaces range from high quality, high use parcels such as Kiwanis Park and Victoria Park to minimally developed open spaces such as utility parcels, pipeline rights-of-way, and storm channel fringes.

- **Open space restoration** – This involves capital investment that returns a deteriorated open space amenity to its original condition. Restoration activities include major turf repair, furniture/fixture replacements, pathway asphalt/aggregate surface repairs, replanting trees and shrub beds, drainage improvements, and the upgrade of surfaces under playground equipment.

- **Kiwanis Waterfall Park** – In 2002, a master plan was developed for this park. The funding in 2010, will be allocated to implement Phase I of the master plan including parking, pathway construction and vegetation management. Funds identified in 2011 will be to initiate Phase II of the master plan, specifically, a retaining wall and bridge.

- **AE Wilson Park** – In 2004, a master plan was developed for the park. Implementation for the west central area of the park will occur in 2010 and 2011.

- **Kinsmen Park South** – In 1999, a master plan was developed for the park. Implementation will begin in 2012. Funding will be allocated to enhancements in Phase I of the master plan such as upgrading pathways, the park entrance and landscape development.

- **Water Features Restoration** – The water features (waterfalls, fountains) at Wascana View Park, Kiwanis Waterfall Park, Rotary Park, Lakewood Park, and Rochdale Park have reached the point in their lifecycles where they are not operating as originally designed. A condition assessment, with recommendations for upgrades/replacements, is needed to determine the best course of action at each site.

- **South Leisure Centre courtyard** – This project will entail the design and redevelopment of the Courtyard space at the South Leisure Centre in 2011.

Irrigation System Improvements – There are approximately 585 hectares of irrigated open space located throughout the city. The inventory of irrigation systems consists of 1,191 water services, 33 pump stations, 28,000 sprinklers, 5,500 valves, 1,000 km of pipe and 850 km of wiring. Projects typically involve lifecycle replacement of quick coupler valves, sprinklers, automated valves, valve boxes, water lines, water service boxes, pump stations, computer system software and hardware, and the decommissioning and abandonment of water service boxes.

Multi-Use Pathway System Development – Findings of the Recreation Facility Strategy to 2020 indicate that pathways were ranked by the public as the highest priority for development. The current system located on City owned land and Wascana Centre includes 30 km of paved pathway. Within the 2009 to 2013 capital program, the City is continuing to expand and integrate its multi-use pathway network. The Planning and Development Division will develop a city-wide Pathway and Bikeway Master Plan in 2010 to provide long-range direction. In 2008, the cost to develop one kilometre of pathway was approximately $400,000. No funding has been identified for 2009 pending completion of the Recreation Facility Master Plan and the Pathway and Bikeway Master Plan. The $1,650,000 budgeted in 2010 is to construct a link to connect the north-west part of the city to the city-wide pathway system.

Open Space Upgrades and New Development

- **OSMS Park Upgrades** – The 2007 Open Space Management Strategy identifies communities deficient in quality and quantity of neighbourhood open space and provides direction for restoration and upgrade of these spaces through the capital program. Al Pickard Park construction was completed in 2008 through this program, while continued consultation, design, and construction will take place in the North East community in 2009. In 2008, the cost to upgrade a four hectare neighbourhood park was $600,000.

- **CPTED improvements** – This involves improvements resulting from Crime Prevention Through Environmental Design (CPTED) evaluations. CPTED evaluations are conducted when residents raise concerns from safety and/or program perspectives. The capital program provides for the modification and renovation of existing facilities to assure compliance with current code and safety requirements and to accommodate new and expanded program offerings or enhanced service levels. Lighting, programming, Neighbourhood Watch, and improving visibility of the site through tree and shrub pruning and removal are other techniques employed.

- **Rawlinson Crescent Park** – This is a 4.12 hectare undeveloped open space. Phase I will occur in 2010 for planning and design. Phase II in 2011 for construction. The total cost of construction will be $1,248,000. In 2008, this project was identified as eligible for funding by Servicing Agreement Fees. In 2009, an annual review of Servicing Agreement Fees (SAF) will be completed and the level of SAF funding will need to be confirmed.

Outdoor Play Amenities – This provides for the removal of existing play apparatus and installation of new equipment to adhere to the Canadian Standards Association Guidelines for Children's Play Spaces; establishing fully accessible play structures at key geographic locations within the city and installing new or emerging outdoor play amenities within neighbourhoods to meet needs and trends. An objective of this program is to adjust playground supply densities to achieve an 800 m radius service area. In recent years, funding has been requested to install an accessible play structure with the goal of providing one structure in each of the five geographic zones.

Presently, the west and south zones have fully accessible play structures. The east zone has fully accessible play equipment for pre-school children and requires an expansion to include an accessible play structure for children ages 5 to 12.

Streetscape

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Streetscape Development:					
- Tree planting at city gateways, major arterials, intersections and underpasses	**190**	175	185	195	205
- Plant Material Establishment Funding	**135**	135	135	135	135
Total Expenditures	**325**	310	320	330	340
Capital Funding					
Current Contributions to Capital	**16**	16	16	16	17
Servicing Agreement Fees - Parks	**309**	294	304	314	323
Total Funding	**325**	310	320	330	340
Funding Shortfall	**-**	-	-	-	-
Total	**325**	310	320	330	340

The Regina Urban Forest Management Strategy is the primary planning tool for determining the allocation of resources to tree planting and streetscape projects.

Streetscape Development

- **Tree planting at city gateways, major arterials, intersections, and underpasses** – Streetscape capital projects provide for the design and installation of landscaping along major roadways such as the entrances to the city and ceremonial routes. Landscape development plans for these projects typically include trees, shrubs, grass, flower beds, hard-surface landscaping, irrigation, furnishings, and other amenities. Projects in 2009 include Arcola Avenue (Prince of Wales to Woodland Drive and Park Street to Fleury Street), Pasqua Gate and Alexandra Street.

- **Plant Material Establishment Funding** – This includes the costs of regular watering to ensure newly planted materials survive.

Cemeteries

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Cemetery Improvements and Repairs:					
- Regina Cemetery - maintenance building roof	-	-	30	-	-
- Cemeteries General Allocation	**135**	90	85	50	45
Total Expenditures	**135**	90	115	50	45
Capital Funding					
Cemetery Reserve	**135**	90	115	50	45
Funding Shortfall	-	-	-	-	-
Total	**135**	90	115	50	45

The City owns and operates two cemeteries. The City has operated the Regina Cemetery since its opening in 1883. A second cemetery, Riverside Memorial Park Cemetery, was opened in 1953. The cemeteries provide a complete range of interment options, including in-ground interments for traditional and cremated remains and columbaria niches for cremated remains. In 1995, a crematorium was constructed at the Regina Cemetery.

The municipal cemeteries operate on a cost recovery basis. Fees and charges are established to offset annual operating costs, as well as the capital needs of the cemeteries. The Cemetery Management Strategy, approved by City Council in 1996, serves as the primary planning tool in managing the cemeteries operation.

The Cemeteries General Allocation is required to sustain the Cemeteries' assets such that the program can continue to effectively operate at its locations. The work typically includes monument foundations, columbarium, new trees and shrubs, signs, and irrigation restoration.

Golf Courses

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. General Golf Course Projects:					
- Facilities General Allocation at clubhouse buildings	**70**	50	50	50	50
- Golf Courses General Allocation at all courses	**170**	240	320	240	260
Total Expenditures	**240**	290	370	290	310
Capital Funding					
Golf Course Reserve	**240**	290	370	290	310
Funding Shortall	-	-	-	-	-
Total	**240**	290	370	290	310

The City of Regina owns six golf courses. Five of the courses are maintained by the City. The Craig Golf Course is operated by a private company under agreement with the City. Western Golf Management Ltd. provides the clubhouse and pro-shop services for four of the Municipal golf courses. In December 1999, City Council approved the Golf Course Management and Financial Plan for the municipal golf courses

(excluding the Craig and Regent). The plan established the capital development strategy for golf courses in the context of course revenues. This capital program reflects the capital development strategy adopted by City Council. A new three-year fee strategy, 2007 – 2009, was approved by City Council in December 2006.

- **Murray Golf Course** – The Murray Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout plays at 6,762 yards and features large greens. The course also includes a driving range, practice chipping green and practice putting green area. The course has a full service clubhouse and pro-shop.

- **Tor Hill Golf Course** – The Tor Hill Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout is 9,337 yards for the 27 holes. The course also includes a driving range, a practice chipping green, and a practice putting green. The course has a full service clubhouse and pro-shop. An additional nine holes were developed at Tor Hill and opened for play in April 2003. The addition of the nine holes provides golfers with three different 18 hole opportunities.

- **Joanne Goulet Golf Course** – The Joanne Goulet Golf Course is an 18-hole executive length course located in the northwest portion of the city. The course layout follows the Wascana Creek, and plays at 4,944 yards. The course includes a driving range, practice chipping green and a practice putting green area and is complemented by a full service clubhouse and pro-shop. The first nine holes were constructed in 1988 with the nine additional holes completed in 1995.

- **Lakeview Par 3 Golf Course** – The Lakeview course is an 18-hole, par three course located on Kings Road in southwest Regina. The course was constructed in the early 1960s. The course has a small concession, pro-shop, and a putting and chipping area.

The Facilities General Allocation is required to sustain City assets such that City programs can continue to effectively operate at the facilities. The work includes all physical plant maintenance and some renovations but does not include major enhancements or additions to the facilities.

The Golf Courses General Allocation is required to sustain the Golf Courses' assets such that the program can continue to effectively operate at its locations. The work typically includes water erosion mitigation, course restoration and improvements, removal and replacement of trees, and irrigation.

Other Capital Projects

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Urban Development Agreement	**500**	500	-	-	-
2. University of Regina Artificial Grass Field	**50**	-	-	-	-
3. Fleet Acquisitions	**-**	83	-	-	-
Total Expenditures	**550**	583	-	-	-
Capital Funding					
Current Contributions to Capital	**550**	2	-	-	-
General Fund Reserve	**-**	500	-	-	-
Total Funding	**550**	502	-	-	-
Funding Shortfall	**-**	81	-	-	-
Total	**550**	583	-	-	-

Other capital projects include:

- **Urban Development Agreement** – The City, Province, and Federal Government have entered into an Urban Development Agreement that provides $10 million over five years, with $2.5 million in funding from each of the City and the Province, and $5 million from the Federal Government. Some of the projects funded to date include a feasibility study for Evraz Place (previously IPSCO Place) Revitalization and for the North Central Co-location project, as well as a feasibility study and business plan for the provision of arts and culture space in the Legion Building.

- **University of Regina Artificial Grass Field** – The University of Regina constructed Phase I of an artificial grass athletic field in 2004 at a total cost of $2.5 million. To assist with construction, the City contributed $250,000 ($50,000 per year for five years from 2005 to 2009). The City made this contribution in recognition of the value to the community for this facility in exchange for community access to the facility.

- **Fleet Acquisitions** – To effectively manage and maintain City assets such as open space and athletic fields, fleet equipment is required. This represents funding for two rotary mowers and a ¾ ton truck in 2010.

Protective Services Department

Capital Program Summary

	2009	2010	2011	2012	2013
Capital Expenditures ($000's)					
Front Line Apparatus	25	1,720	565	590	590
Support Vehicles	-	125	200	400	60
Service Vehicles	-	90	-	45	-
Other Equipment	-	149	665	158	163
Total Expenditures	25	2,084	1,430	1,193	813
Capital Funding ($000's)					
Current Contributions to Capital	25	201	207	213	219
Total Funding	25	201	207	213	219
Funding Shortfall	-	1,883	1,223	980	594
Total	25	2,084	1,430	1,193	813

Front Line Apparatus

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Front Line Apparatus					
- Pumper Rescue Units	-	-	565	565	565
- Two Quints	-	1,695	-	-	-
- Mechanical Upgrades	25	25	-	25	25
Total Expenditures	25	1,720	565	590	590
Capital Funding					
Current Contributions to Capital	25	-	-	-	-
Total Funding	25	-	-	-	-
Funding Shortfall	-	1,720	565	590	590
Total	25	1,720	565	590	590

The new pumper/rescue units are required to replace the pumpers purchased in 1989, 1992, and 1994. Aerial platform capability also needs to be replaced. These requirements will be met and evaluated through the acquisition of two multi-functional apparatus called Quints. These units are equipped with water pumping capability, water tank, aerial ladder, and a compliment of ground ladders and fire hose.

Mechanical upgrades may include a major repair or refurbishment to extend the life of a front line vehicle.

Front-line Apparatus in the Fire Department fleet includes 18 front-line apparatus vehicles, including 13 in-service vehicles and five spare vehicles. These vehicles include:

- Seven pumpers and three pumper/rescues in-service, along with four spare pumpers.
- One ladder truck in-service along with one spare ladder unit.
- One rescue unit in-service.
- One platform unit in-service.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Type of Apparatus
101	1968	---	Mack Custom	Spare Pumper
114	1985	---	Superior Emergency – IHC	Spare Pumper
110	1976	---	Superior Hendrickson	Spare Pumper
111	1976	---	Superior Hendrickson	Spare Pumper
205	1979	2010	Pierre Thibault	Spare Ladder
104	1989	2010	Superior Pierce Lance	Pumper
106	1992	2011	Superior Pierce Lance	Pumper
105	1994	2012	Superior Pierce Lance	Pumper
102	1998	2013	Superior Hurricane – E-One	Pumper/Rescue
103	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
109	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
302	1995	2015	Superior	Rescue
206	1986	2016	Pierre Thibault – IHC	Ladder
402	1996	2016	Superior E-One	Platform/Pumper
115	2004	2019	Superior Hurricane – E-One	Pumper
116	2004	2019	Superior Hurricane – E-One	Pumper
117	2006	2021	Superior Hurricane – E-One	Pumper
118	2006	2021	Superior Hurricane – E-One	Pumper

Replacement of front-line apparatus is essential to meeting established service levels. Replacement costs range from $565 thousand to $1.8 million per apparatus depending on type and quantity ordered. Repair costs will increase to keep aging apparatus in service longer.

The industry standard for replacement of pumper units is 15 years and an aerial device is 20 years. Currently three in-service pumper units and one in-service aerial device exceed this standard.

Support Vehicles

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Support Vehicles					
- Transport/Command Car	-	-	-	-	60
- Rehab Bus	-	-	200	-	-
- Tech Rescue/Mobile Cascade	-	-	-	400	-
- Mobile Command Vehicle	-	125	-	-	-
Total Expenditures	-	125	200	400	60
Capital Funding					
Current Contributions to Capital	-	52	53	55	56
Total Funding	-	52	53	55	56
Funding Shortfall	-	73	147	345	4
Total	-	125	200	400	60

Units in the capital program are replacement units. There are 17 support vehicles in the Fire Department fleet including several vans, trucks and trailers, equipped for special purposes such as water rescue, investigation or public education. The replacement schedule for support vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
513	1987	Not Replaced	Fire Safe House	Trailer – 8' x 24'
505	1955	Not Replaced	GMC	Tri-Command Bus
506	1996	Not Replaced	Ford Cube Van	Public Education
10	1988	2008	Plymouth V6 M-Voyager	Transport/Command Car
503	1962	2011	GMC	Rehab Bus
509	1987	2012	Superior Emergency – IHC	Tech Rescue/Mobile Cascade
15	2004	2013	Ford Expedition	Chief's Command Unit
511	2005	2015	Ford F350	Wildland Firefighting
512	2006	2016	Ford F350	Wildland Firefighting
23	2005	2017	GMC	Investigation Unit
502	2007	2017	Ford Expedition Max	Command Unit
508	1998	2018	Ford E Super Duty	Water Rescue Van
514	2006	2021	Chevrolet Cutaway Van	Public Information Unit
504	2002	2022	Fort Garry	Water Tanker/Pumper
510	2003	2023	Decon/Hazmat – 35' x 8'	Trailer
515	2007	2027	Water Rescue Boat	Water Rescue Boat

The replacement of the Rehabilitation Bus and Technical Rescue/Mobile Cascade units represent significant investments of $200K and $400K respectively. Additional funding is required to replace these units.

Services Vehicles

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Fire Service Vehicles					
- Administration Van	-	45	-	-	-
- 3/4 Ton-Mechanic	-	45	-	-	-
- Service Truck	-	-	-	45	-
Total Expenditures	-	90	-	45	-
Capital Funding					
Current Contributions to Capital	-	-	-	45	-
Total Funding	-	-	-	-	-
Funding Shortfall		90	-	45	-
Total	-	90	-	45	-

All units in the capital program are replacement units. The service truck is used to move equipment from station to station. There are 11 Service Vehicles in the Fire Department including vans and trucks. The replacement schedule for service vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
17	2001	Not Replaced	Chevrolet ½ Ton Cargo van	Training
7	1995	Not Replaced	GMC Open Box (4WD) ¾ Ton	Utility Truck
3	1991	Not Replaced	GMC Open Box (4WD) ¾ Ton	Medical Training Prop
1	1994	2009	Plymouth Van	Administration Unit
19	1992	2009	Chevrolet Open Box ¾ Ton	Mechanics
25	2006	2012	Ford E250 Van	Service Truck
5	2000	2015	One-Ton Truck	Training
18	2000	2015	Ford F150 – Regular Cab	Building Maintenance
26	2007	2017	Ford F250 4x4	Fuel Delivery/Snow Removal
22	1999	2019	Ford E450 Super Duty	Troop Transport
21	2005	2020	GMC Cargo Van	Electrician

Other Equipment

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Other Equipment					
- Self Contained Breathing Apparatus	-	-	600	-	-
- Other	-	149	65	158	163
Total Expenditures	-	149	665	158	163
Capital Funding					
Current Contributions to Capital	-	149	154	158	163
Total Funding	-	149	154	158	163
Funding Shortfall	-	-	511	-	-
Total	-	149	665	158	163

Self Contained Breathing Apparatus – The Department currently owns and maintains 100 self contained breathing apparatus (SCBA) and 250 air cylinders. The equipment will reach its life expectancy in 2011 and require replacement. The Department maintains 2.5 to 1, air cylinders to SCBA ratio.

Additional information on the capital allocation for other equipment includes:

- **Traffic Signal Pre-emption** – This is an ongoing project. In 2007, a review of the existing equipment was conducted and additional equipment was purchased. Program expansion is anticipated due to population and property development growth. Additional devices will be needed in order to maintain the response objective. This system will allow fire apparatus responding to an incident to control the flow of traffic, thereby improving the response time.

- **Thermal Imaging Cameras** – The department currently has seven thermal imaging cameras, one at each fire station. This equipment has proven invaluable in locating heat sources in extreme smoke conditions. In 2002, the Rotary Clubs of Regina purchased the four original cameras in partnership with other local businesses at a cost of $25,000 each. These cameras have an eight-year life expectancy. Funding is for the replacement of four cameras.

- **Wellness/Fitness Equipment** – This equipment will be used to promote fitness and well-being among existing staff. Existing equipment is approaching the end of its useful life and will need to be replaced.

Transit Department

Capital Program Summary

	2009	2010	2011	2012	2013
Capital Expenditures ($000's)					
Transit Fleet:					
Transit Buses and Vehicles	**3,760**	3,760	3,800	3,760	3,760
Paratransit Buses	**660**	660	660	440	440
Facilities and Equipment	**2,070**	985	980	566	660
Total Expenditures	**6,490**	5,405	5,440	4,766	4,860
Capital Funding ($000's)					
Current Contributions to Capital	**874**	-	-	-	-
Federal Transit Grant	**5,616**	-	-	-	-
Equipment Replacement Reserve	-	-	40	46	-
Total Funding	**6,490**	-	40	46	-
Funding Shortfall	-	5,405	5,400	4,720	4,860
Total	**6,490**	5,405	5,440	4,766	4,860

The Federal Government announced a $27 million addition to the Public Transit Trust for Saskatchewan. In early 2007, the Federal and Provincial Government signed an agreement outlining the terms of the program and the share to be allocated to Regina, which totals $10.4 million over three years. The 2009 Transit capital budget has been prepared including this funding. There is a requirement for the City to provide incremental transit funding from its own sources for the five-year period beginning in 2005 compared to the five-year period preceding 2005. The 2009 – 2013 Transit Capital program has been prepared on a basis to meet those requirements. Additional capital funding was announced by the Federal Government in March 2008 but has yet to be received by the City. This is expected to be transferred in early 2009.

In recent years, the majority of capital funding for Transit has been provided by the Public Transit Trust for Saskatchewan. This program is coming to an end. Therefore, a funding shortfall is predicted for 2010 – 2013.

If no capital investment is made in the fleet, service on the street will be curtailed significantly, as without funds to either repair or replace these buses, insufficient vehicles will be available for service.

Paratransit is in a similar, though not as dire a position. Unless investment in replacement vehicles continues, service on the street will also be reduced due to lack of serviceable buses.

Transit Buses and Vehicles

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Purchase new transit buses - average 8 per year	**3,400**	3,400	3,400	3,400	3,400
2. Refurbish transit buses - 4 per year	**360**	360	360	360	360
3. Supervisor Vehicle	-	-	40	-	-
Total Expenditures	**3,760**	3,760	3,800	3,760	3,760
Capital Funding					
Current Contributions to Capital	**874**	-	-	-	-
Federal Transit Grant	**2,886**	-	-	-	-
Equipment Replacement Reserve	**-**	-	40	-	-
Total Funding	**3,760**	-	40	-	-
Funding Shortfall	-	3,760	3,760	3,760	3,760
Total	**3,760**	3,760	3,800	3,760	3,760

The bus fleet used on the public transit routes consists of 105 buses. The peak scheduled winter requirement for buses is 81 buses in the morning and 86 in the afternoon. In the extreme winter months, depending on the weather, there may be a requirement for another six buses. Typically, 10 to 12 buses are out of service on a daily basis for repairs and maintenance. Details on the buses are summarized below.

- The current full size bus fleet includes 25 buses that were built between 1990 and 1992. These buses will require a major refurbishing or replacement at a significant investment over the next two to three years. In addition, 18 buses that were refurbished between 1999 and 2003 will reach the end of their life expectancy without additional work being required. This quantity represents over 40 percent of the current fleet. The current budget allows for only 8 replacement buses, all funded by the Federal program.

- A total of forty transit buses have been refurbished. Thirty-four are currently operated in active service. These buses were purchased between 1977 and 1988. The refurbishing program is necessary to meet Highway Traffic Board requirements and reduce the need to purchase new buses. Refurbishment results in an estimated additional ten years of service for each bus. It is important to note that many of these buses are also coming due for replacement or further refurbishing.

- Forty-six low floor buses have been purchased between 1997 and 2008. Thirty-nine are 40-foot buses and seven are 30-foot buses. They have an expected life of about 15 years. The low floor buses provide easy access for passengers that experience some degree of disability. Accessible transit vehicles such as these should relieve some of the demand on the Paratransit System.

City Council adopted a recommendation on February 24, 2003 (Report CR03-18) that the City refurbish four buses and purchase four buses each year to ensure the long-term viability of the fleet. It should be noted that the Transit Service Review currently underway examines the fleet issues in more detail. This report should be completed in early 2009; however, it would be prudent to expect that a more aggressive fleet replacement program will be necessary within the next few years.

In 2006, a multi-year tender was approved for smaller low floor buses that will provide a mix of small and large low floor transit buses in the transit fleet. The smaller buses will range from 28 to 30 feet with a capacity of carrying 29 seated passengers compared to a large low floor bus carrying 37 seated passengers. The number of smaller low floor buses required will be determined from passenger data collected from the Automatic Passenger Counting equipment (APC). Currently, the 30-foot bus is being utilized primarily on Routes 14, 16 and to the Food Bank.

Transit Bus Fleet

Year of Purchase or Refurbishment	Original Large Buses	Refurbished Buses	40 Foot Low Floor Bus	30 Foot Low Floor Bus	Total Fleet
1990	18	-	-	-	18
1992	7	-	-	-	7
1997	-	-	7	-	7
1998	-	-	-	-	0
1999	-	1	-	1	2
2000	-	4	-	-	4
2001	-	6	2	-	8
2002	-	4	3	-	7
2003	-	3	-	-	3
2004	-	4	-	-	4
2005	-	3	11	-	14
2006	-	3	2	-	5
2007	-	3	6	3	12
2008	-	3	8	3	14
Totals	25	34	39	7	105

The Transit Department has other vehicles, with replacement funded through the Transit Equipment Reserve. The following table provides a list of the vehicles, along with the proposed year of replacement.

Other Transit Vehicles

Year of Purchase	Year of Replacement	Details
1999	2014	Ford 1 Ton Truck
1999	2015	Dodge 1/2 Ton Truck
1978	2017	Ford 4x4 - 1 Ton Truck
2000	2020	Fork Lift
2007	2011	Ford Escape Hybrid

Paratransit Buses

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Purchase new paratransit buses - 6 per year	**660**	660	660	440	440
Capital Funding					
Federal Transit Grant	**660**	-	-	-	-
Total Funding	**660**	-	-	-	-
Funding Shortfall	**-**	660	660	440	440
Total	**660**	660	660	440	440

The Paratransit fleet consists of 29 buses in 2009, with 24 buses scheduled for regular service and five buses available as spares. The expansion of the bus fleet in 2005 and corresponding reduction in the minivan fleet has greatly assisted with providing more scheduling flexibility. The City owns the lift-equipped buses with FirstBus Canada Limited maintaining and operating the buses. The following table provides a summary of the bus fleet.

Paratransit Bus Fleet

Year of Purchase	Number of Paratransit Buses
2002	4
2003	8
2005	5
2006	4
2007	4
2008	4
Total Buses	29

The previous capital program provided for the replacement of four Paratransit buses per year. This has been increased to six vehicles per year in 2009, 2010 and 2011 in order to accelerate the replacement process and expedite the retirement of CNG-fuelled units. This standard should be maintained throughout the five-year capital program in order to maintain service levels. The Province has not provided funding for Paratransit buses since 2006. The Paratransit Service uses six minivans in addition to the buses. The minivans are supplied, maintained, and operated by FirstBus Canada Limited.

Lift-equipped buses are configured to accommodate people who use wheelchairs and people who are ambulatory. The minivans can only accommodate people who are ambulatory. Both types of vehicle are used because many passengers are ambulatory and the van service is faster and more cost effective to operate. The combination of vehicles is very effective in providing service. In recent years, many of the passengers considered to be ambulatory still have significant disabilities and require the use of mobility assisted devices such as walkers. The minivans have a limited ability to store and transport these types of devices, hence the need to maintain a fleet with a large component of Paratransit buses.

Transit Facilities and Equipment

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Facilities - General Allocation	**220**	580	730	270	410
2. Transit Shelters	**50**	50	50	50	50
3. Paratransit - Telephone Recording System	**-**	155	-	-	-
4. Other Equipment - General Allocation	**300**	200	200	246	200
5. Electronic Fareboxes	**1,500**	-	-	-	-
Total Expenditures	**2,070**	985	980	566	660
Capital Funding					
Federal Transit Grant	**2,070**	-	-	-	-
Equipment Replacement Reserve	**-**	-	-	46	-
Total Funding	**2,070**	-	-	46	-
Funding Shortfall	**-**	985	980	520	660
Total	**2,070**	985	980	566	660

Facilities used in the delivery of public transit and paratransit services are:

- Transit Operations Centre at 333 Winnipeg Street – This facility includes space for storage and servicing of the buses, along with office or other space for the majority of the Transit staff.
- Transit Garage at 1157 Albert Street – When the Operations Centre was constructed, this facility was retained for repairing and maintaining the bus fleet.
- Transit Information Centre on 11th Avenue – This facility is located in downtown Regina and is used to sell bus passes and tickets, along with providing information on transit routes and schedules. The Centre is located near one of the major transfer points for passengers.

- **The Facilities General Allocation** – provides funding to maintain the facilities used by the Transit Department in a reasonable state of repair such that the program can continue to operate at the facility. The funding provides for the physical plant maintenance and some renovations, but does not include additions or major enhancements to the facility.

- **Transit Shelters** – The City owns 256 transit shelters, of which 254 are the newer style and two the older style (over 25 years old). Fifty of these shelters have advertising signs. A shelter advertising agreement with Rawlco Radio Ltd. provides the City with minimum annual revenue of $70,000.

- **Paratransit - Telephone Recording and Voice Response System for 2010** – Paratransit has a twenty-minute arrival window that causes passengers to delay getting ready because they assume the bus will arrive at the end of the twenty-minute window instead of the beginning. The operator must then wait for the customer to get ready creating unnecessary service delays. The IVR system will allow bus drives to notify clients through the Mobile Data Terminal (MDT) when they are a few minutes away, reducing these delays.

  It is standard call centre industry practice to record all calls received and sent. This enables follow-up to be done if a concern arises from a specific customer or staff person. Calls can also be randomly reviewed to ensure appropriate customer service standards are being followed and to train staff how to improve their telephone skills. Several call centres within the City, such as Fire, already have this in place.

- **Other Equipment - General Allocation** – This funding will be used to fund a variety of transit capital projects, including hardware and software, information posts, shop equipment and initiatives to address Occupational Health and Safety issues.

  One hundred thousand dollars will be used in 2009 to upgrade the M4 Fuel Manager System. This upgrade includes the installation of RF devices on 105 vehicles and the software installation of the Fuel Focus Package to allow for wireless transmission of data such as odometer readings without manual entry by Transit staff. This will reduce the time involved in fuelling vehicles and the amount of data inconsistencies caused by human error enhancing reporting capabilities. This upgrade is already in place in Fleet Maintenance.

  For the years 2009 to 2010, $200,000 is requested each year for a general equipment allocation that is used to fund items such as security cameras, tools, and upgrades for maintenance equipment.

- In 2012, $46,000 will be used to replace a cash sorter and wrapper in the Transit cash office. This expenditure is funded through the Transit Equipment Replacement Reserve.

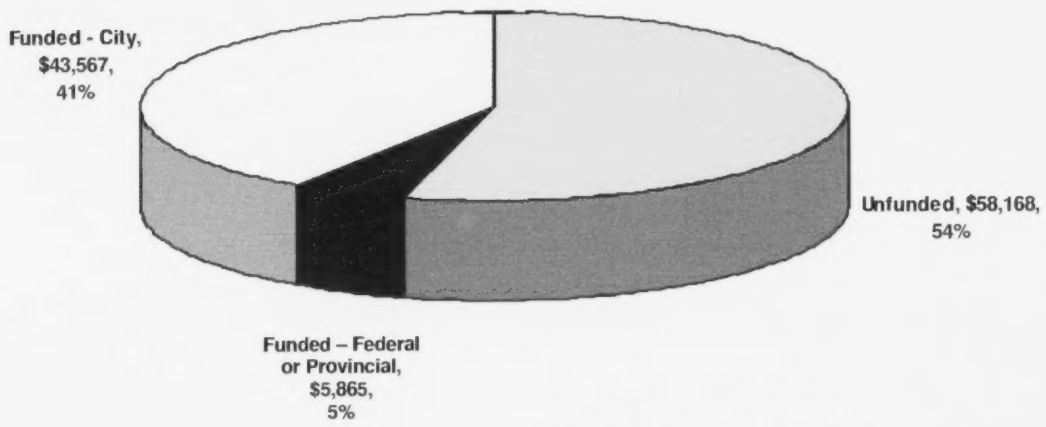
- **Electronic Fare Boxes** – Funding of $1.5 million dollars will allow completion of the installation of a new smart-card based electronic fare collection system. (Two million dollars of funding was previously allocated to this project.) A detailed technical review has been completed and the technical specification and RFP process are in development. This project is funded using Federal Transit Capital Trust Funds.

Planning & Development Division

Capital Program Summary

	2009	2010	2011	2012	2013	Five Year Total
Capital Expenditures ($000's)						
Roadways Network Improvements	**10,650**	18,110	12,355	11,760	23,275	76,150
Land Development	**300**	2,500	2,700	3,500	4,000	13,000
City Centre Development	**5,950**	1,900	3,300	3,800	3,500	18,450
Total Expenditures	**16,900**	22,510	18,355	19,060	30,775	107,600
Capital Funding ($000's)						
Current Contributions to Capital	**209**	1,060	1,092	1,124	1,158	4,643
Debt	**-**	-	-	-	-	-
Contributions from Developers	**4,020**	53	375	-	-	4,448
Other External Contributions	**-**	4,000	-	-	-	4,000
General Fund Reserve	**300**	2,500	2,700	3,500	4,000	13,000
Urban Development Agreement (UDA)	**2,500**	-	-	-	-	2,500
Servicing Agreement Fees - Roads	**5,356**	7,296	2,095	-	-	14,747
Provincial Grants	**3,365**	-	-	-	-	3,365
Servicing Agreement Fees - Parks	**1,150**	1,294	28	179	78	2,729
Total Funding	**16,900**	16,203	6,290	4,803	5,236	49,432
Funding Shortfall	**-**	6,307	12,065	14,257	25,539	58,168
Total	**16,900**	22,510	18,355	19,060	30,775	107,600

The following chart shows the identified capital requirements for the Division over the next five years, and reflects the current funding sources as well as the funding gap.



Land Development

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. North Argyle Land Development	**100**	800	1,000	1,000	1,000
2. Ross Industrial Park Joint Venture	**-**	-	-	-	1,000
3. Ross Industrial Land Development Phase I	**200**	200	-	-	-
4. Ross Industrial Land Development Phase II	**-**	1,400	1,500	-	-
5. Ross Industrial Land Development Phase III	**-**	-	200	2,500	2,000
6. Riverside Land Development Study	**-**	100	-	-	-
Total Expenditures	**300**	2,500	2,700	3,500	4,000
Capital Funding					
General Fund Reserve	**300**	2,500	2,700	3,500	4,000
Funding Shortfall	**-**	-	-	-	-
Total	**300**	2,500	2,700	3,500	4,000

Notes:
(1) $1,860,000 is included in 2010 under Roadway Network Improvements for Ross Avenue Construction related to this project. The funding is provided from the General Fund Reserve.

The City undertakes the development of land in the Ross Industrial Park, North Argyle Park, and other areas, as owner; and is responsible for the developer's share of infrastructure costs. The North Argyle Park project sets out estimated costs for the continued planning, consulting, and development for the subdivision. All funds for industrial land development are sourced from the General Fund Reserve.

City Centre Development

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. City Square WOW Project - Phase I	**5,950**	1,150	-	-	-
2. Downtown Development	**-**	-	2,000	2,000	2,000
3. Lorne Street Revitilization	**-**	-	-	200	1,200
4. Scarth Street Revitalization	**-**	400	1,200	1,200	-
5. Wascana View Park Upgrades	**-**	20	-	-	-
6. Montreal Street Greenway	**-**	30	100	400	300
7. Multi-Use Pathway	**-**	300	-	-	-
Total Expenditures	**5,950**	1,900	3,300	3,800	3,500
Capital Funding					
General Fund Reserve	**-**	-	-	-	-
Urban Development Agreement (UDA)	**2,500**	-	-	-	-
Other Provincial Funding	**2,300**	-	-	-	
Current Contributions to Capital	**-**	34	72	1,124	1,158
Service Agreement Fees - Roads	**-**	17	-	-	-
Service Agreement Fees - Parks and Recreation	**1,150**	1,294	28	179	78
Contributions from Developers	**-**	3	-	-	-
Total Funding	**5,950**	1,348	100	1,303	1,236
Funding Shortfall	**-**	552	3,200	2,497	2,264
Total	**5,950**	1,900	3,300	3,800	3,500

The current downtown land use plan is outdated and does not address certain important elements such as infrastructure development. The City has engaged a consultant and is actively developing a comprehensive downtown plan. The goal of the plan is to establish a vision for the downtown, and provide the necessary framework to strategically guide infrastructure investment, land use, transportation planning decisions, and design of the public realm.

The immediate centre piece of Downtown Development is the "WOW" project, which involves considerable alterations to 12th Avenue, immediately North of Victoria Park as well as the park itself. The project will re-route transit and redevelop 12th Avenue to create a public space that will be shared by pedestrians and vehicles for major festivals.

Roadway Network Improvements

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Argyle St. N. (Sangster Blvd. to Rochdale Blvd.)	-	100	750	-	-
2. Courtney St. (Dalgliesh Dr. to Whelan Dr.)	-	1,500	-	-	-
3. Intersection Construction (Gordon Rd. & Lewvan Dr.)	1,400	-	-	-	-
4. Gravel Road Upgrading (Annexed Roads)	-	125	125	125	125
5. McCarthy Blvd. (Wadge St. to Diefenbaker Dr.)	1,000	-	-	-	-
6. Northeast Development Arterials	-	-	750	1,500	-
7. Sask. Dr. & Albert St. Improvements	-	750	-	-	-
8. Arcola Ave. & Woodland Grove Intersection Improvements	-	-	-	750	-
9. Ross Ave. (North side Sioux St. to Fleet St.)	500	-	-	-	-
10. Victoria Ave. Widening (Fleet St. to City Limits)	-	8,000	-	-	-
11. Courtney St. (Whelan Dr. to Diefenbaker Dr.)	-	-	500	3,000	-
12. Jim Cairns Blvd.(Lewvan Dr. to Collector Rdwy)	900	-	-	-	-
13. Sask. Dr. Widening (Halifax St. to Quebec St.)	-	-	-	-	500
14. On-street Bikeways Program	-	150	150	150	150
15. Transportation Master Plan	-	500	-	-	-
16. Arcola Ave. (Victoria Ave. to Winnipeg St.)	-	-	-	300	-
17. Chuka Blvd. (Arcola Ave. to Buckingham Dr.)	-	250	4,000	-	-
18. Wascana Pkwy. & Highway 1 Interchange	-	-	-	-	5,000
19. Jim Cairns Blvd. at Lewvan Dr. (intersection)	500	-	-	-	-
20. Interchange (Highway 1 & Lewvan Dr.)	2,300	260	2,740	-	-
21. Parliament Ave. & Queen St. Extensions	-	2,300	-	-	-
22. Parliament Ave. Extension (West of Lewvan Dr.)	2,500	-	-	-	2,300
23. Courtney St. (Sherwood Dr. to 1st Ave. west side)	-	3,500	-	-	-
24. Intersection (Parliament Ave. & Lewvan Dr.)	1,400	-	-	-	-
25. Intersection (Rochdale Blvd. & Walmart/Sobey's)	150	-	-	-	-
26. Prince of Wales Dr. Extension S to Wascana Pkwy.	-	550	-	-	5,200
27. Diefenbaker Dr. (McCarthy Blvd. to CNR)	-	-	1,000	1,000	-
28. Courtney St. (1st Ave. N to Dewdney Ave east side)	-	-	-	600	-

Capital Summary ($000's)	2009	2010	2011	2012	2013
29. Ring Road Widening - E Bound between Albert St. & McDonald St.	-	-	-	500	-
30. Long-term Property Purchase	-	-	-	800	-
31. Prince of Wales Dr. (east side Eastgate to Dewdney Ave.	-	125	1,075	-	-
32. Fleet St. (Cavendish to Ross Ave. over CPR Mainline)	-	-	140	1,660	-
33. Pasqua Ave. & Ring Rd. Interchange Prelim Design/Construction	-	-	1,000	-	10,000
34. Prince of Wales Dr.(Dewdney Ave. to 7th Ave. N ES	-	-	125	1,375	-
Total Expenditures	**10,650**	18,110	12,355	11,760	23,275
Total Funding					
Capital Funding					
Current Contributions to Capital	**209**	1,026	1,020	-	-
Other Provincial Funding	**1,065**	-	-	-	-
Servicing Agreement Fees - Roads	**5,356**	7,279	2,095	-	-
Contributions from Developers	**4,020**	50	375	-	-
Other External Contributions	-	4,000	-	-	-
Total Funding	**10,650**	12,355	3,490	-	-
Funding Shortfall	-	5,755	8,865	11,760	23,275
Total	**10,650**	18,110	12,355	11,760	23,275

Roadway Network Improvements consist of new road construction for locations approved as part of the Regina Road Network Plan. The majority of the locations are adjacent to new development areas and are partially funded by Servicing Agreement Fees. Developers fund construction of new local and collector streets. The following table provides information on new road development (in kilometres) since 1993.

New Roads (Kilometres)

Year	City Funded	Developer Funded	Total
1993	-	3.5	3.5
1994	0.6	4.9	5.5
1995	0.9	2.1	3.0
1996	0.2	2.2	2.4
1997	0.4	1.7	2.1
1998	-	2.3	2.3
1999	0.8	3.7	4.5
2000	-	2.5	2.5
2001	0.6	3.6	4.2
2002	0.3	3.8	4.1
2003	-	4.2	4.2
2004	-	4.2	4.2
2005	0.4	8.9	9.3
2006	-	5.6	5.6
2007	3.5	9.6	13.1
2008	-	6.4	6.4
Total	7.7	69.2	76.9

Projects in the 2009 – 2013 General Capital Program include:

1. **Argyle Street North (Sangster Boulevard to Rochdale Boulevard)** – Extension of Argyle Street will be required upon development of a new neighbourhood north of Argyle Park, as per the Northwest Sector Plan.

2. **Courtney Street (Dalgliesh Drive to Whelan Drive)** – In previous years, $1,900,000 was provided to construct the east side of Courtney Street between Dalgliesh Drive and Rochdale Boulevard. Due to property acquisition delays, the project limits were changed to Dalgliesh Drive to Whelan Drive. Due to rising construction costs, provide $1,500,000 in addition to the existing carry forward for construction in 2010.

3. **Intersection Construction (Gordon Road and Lewvan Drive)** – In 2008, $500,000 was provided for detailed design and construction. An additional $1,400,000 is requested in 2009 to account for inflation.

4. **Gravel Road Upgrading** – In each of 2010 to 2012, $125,000 per year is provided for gravel road upgrading. This work may involve grading and graveling or upgrading to an all weather dust free surface. Projects may include upgrading the portion of Prince of Wales Drive from Jenkins Drive to north of the CPR mainline.

5. **McCarthy Boulevard (Wadge Street to Diefenbaker Drive)** – In 2009, $1,000,000 is provided for the construction of McCarthy Boulevard from Wadge Street to Diefenbaker Drive to support development of two prospective residential developments – Lakeridge and Skyview.

6. **Northeast Development Arterials** – In 2011 and 2012, an addition of $2,250,000 is provided as an allowance for widening McDonald Street from Kress Street to Fleet Street or twinning a portion of Fleet Street depending on industrial development and traffic increases. The refinery related trucking companies are increasing their capacity several fold.

7. **Saskatchewan Drive and Albert Street Improvements** – This project is required to properly verify requirements for intersection improvements at Saskatchewan Drive and Albert Street and to improve sightlines in SE quadrant.

8. **Arcola Avenue and Woodland Grove Intersection Improvements** – In 2012, $750,000 is provided to build turning lanes on Arcola Avenue at its intersection with Woodland Grove Drive. The turn lanes will facilitate better signal timing when signals are warranted by permitting a dedicated left-turn phase. They will also reduce the risk of rear-end collisions between turning and through vehicles.

9. **Ross Avenue - North side - Sioux Street to Fleet Street** – In 2008, $2,140,000 was provided for detailed design and construction of the north side of Ross Avenue from Sioux Street to Fleet Street. Due to increasing construction costs, provide $500,000 in 2009 to account for inflation.

10. **Victoria Avenue Widening - Fleet to City Limit** – In 2007, $800,000 was provided for detailed design and in 2010, $8,000,000 is provided to widen Victoria Avenue from Fleet Street to City Limits. This includes reconstruction of existing bridges.

11. **Courtney Street (Whelan Drive to Diefenbaker Drive)** – In 2011, provide $300,000 for detailed design and $200,000 for property acquisition and in 2012, provide $3,000,000 for construction of the east side of Courtney Street from Whelan Drive to Diefenbaker Drive.

12. **Jim Cairns Boulevard Lewvan Drive to Collector Roadway** – In 2009, $900,000 is provided for detailed design and construction of Jim Cairns Boulevard to the North/South collector. Construction has been advanced from 2010 to reflect planned development in Harbour Landing.

13. **Saskatchewan Drive Widening (Halifax Street to Quebec Street)** – In 2013, $500,000 is provided for detailed design and property acquisition. A further $2,700,000 will be required beyond 2013 for construction.

14. **On-street Bikeways Program** – The City currently has a 5-year capital plan to implement bike routes throughout the City. This project will focus on preparing designs for the bikes routes. Budget is also provided for implementation of the various routes.

15. **Transportation Master Plan** – The City currently has a Recommended Road Network Plan, Roadway Network Sector Studies, a Transportation Strategy and a Bikeway Needs Assessment Study but no formal comprehensive plan. This review will focus primarily on integrating information from existing reports and studies to create a new comprehensive Transportation Master Plan, including vehicular, cycling, and pedestrian modes of transportation and public transit, looking to the 300,000 population growth scenario and beyond.

16. **Arcola Avenue (Victoria Avenue to Winnipeg Street)** – In 2012, $300,000 is provided to complete a detailed design for the proposed widening and realignment of Arcola Avenue between Winnipeg Street and Victoria Avenue. The rapid development along Victoria Avenue East and in the Southeast Sector will require the increased capacity on this roadway in the near future. This may include re-constructing Arcola Avenue on an adjacent right-of-way owned by the City to improve safety at the Victoria Avenue intersection and with neighbourhood roadways. This project is required to verify property requirements, adjacent street connections and intersection alignments.

17. **Chuka Boulevard Arcola Avenue to Buckingham Drive** – In 2010, $250,000 is provided for detailed design and in 2011, $4,000,000 is provided to construct Chuka Boulevard from Arcola Avenue to Buckingham Drive. Construction of Chuka Boulevard has been advanced from 2018 to reflect planned development in The Greens and The Town.

18. **Wascana Parkway and Highway 1 Interchange** – In 2013, $5,000,000 is provided to complete the preliminary design and detailed design of the loops and intersection modifications. Construction is anticipated in 2013, prior to the extension of Prince of Wales Drive from Wascana Gate to Wascana Parkway

19. **Jim Cairns Boulevard at Lewvan Drive (Intersection)** – In 2008, $500,000 was provided for detailed design and construction. An additional $500,000 is requested in 2009 to account for inflation.

20. **Interchange - Highway 1 and Lewvan Drive** – In 2008, $2M was provided as a commitment of funding towards the construction of the interchange. An additional $2,000,000 in funding will be allocated in 2009 and $3,000,000 in 2010. An additional $300,000 is requested in 2009 for the City's contribution to the detailed design.

21. **Parliament Avenue and Queen Street Extensions** – In 2008, $200,000 was provided for detailed design and in 2010, $2,300,000 is provided to construct Parliament Avenue from Argyle Street to Lewvan Drive and Queen Street from Laubach Avenue to Parliament Avenue with a connection to 28th Avenue.

22. **Parliament Avenue Extension (West of Lewvan Drive)** – Completion of this project will keep the City on track with its projected Long Term Roadway Development for a 235,000 Growth Scenario and support the Southwest Sector Development.

23. **Courtney Street (Sherwood Drive to 1st Avenue West Side)** – In 2008, $300,000 was provided for detailed design and in 2010, $3,500,000 is provided to construct the west side of Courtney Street between 1st Avenue North and Sherwood Drive.

24. **Intersection (Parliament Avenue and Lewvan Drive)** – In 2008, $50,000 is provided for detailed design and in 2009 $1,400,000 is provided to make intersection improvements at Lewvan Drive and Parliament Avenue. Construction has been advanced from 2010 to reflect planned development in Harbour Landing.

25. **Intersection (Rochdale Boulevard and Walmart/Sobey's)** – In 2008, $10,000 was provided for the detailed design and in 2009, $150,000 is provided to construct an intersection at Rochdale and the Walmart/Sobey's Access Road and Vanstone Drive (new north-south collector).

26. **Prince of Wales Drive Extension South to Wascana Parkway** – In 2008, $200,000 was provided for functional design and in 2010, $550,000 is provided for detailed design and in future years, $5,200,000 is provided to start construction of prince of Wales south to Wascana Parkway in 2013, with an additional $5,250,000 being required in 2014 to complete the connection.

27. **Diefenbaker Drive (McCarthy Boulevard to CNR)** – In each 2011 and 2012, $1,000,000 is provided for detailed design and to construct the Diefenbaker Drive (formally EW Arterial) from McCarthy Boulevard to CNR.

28. **Courtney Street (1st Avenue North to Dewdney Avenue East Side)** – In 2012, $600,000 is provided for detailed design of the east side of Courtney Street between 1st Avenue North and Dewdney Avenue. $14,500,000 will be required to build this link sometime beyond 2013.

29. **Ring Road Widening (Eastbound between Albert Street and McDonald Street)** – In 2012, $500,000 is provided to complete the functional and detailed design of an additional eastbound lane on Ring Road between Albert Street North and McDonald Street. A further $1,000,000 is provided beyond 2013 for construction services. The widening is needed to support development in the northwest and northeast (industrial) areas of the City and funds for construction will be provided in future years.

30. **Long Term Property Purchase** – In 2012, $800,000 is provided to determine the future right-of-way needs and purchase land for the future Courtney Street and Saskatchewan Drive extensions. This will secure the required property and determine the alignment so adjacent property owners are aware of the future roadway.

31. **Prince of Wales Drive East Side (Eastgate to Dewdney Avenue)** – In 2010, $125,000 is provided for detailed design and in 2011, $1,075,000 is provided to construct east side of Prince of Wales Drive from Eastgate Drive to Dewdney Avenue.

32. **Fleet Street (Cavendish to Ross over CPR Mainline)** – In 2011, $140,000 is provided for detailed design and in 2012, $1,660,000 is provided to construct four lanes of Fleet Street from Cavendish Street south of the CPR mainline to Ross Avenue with an at-grade crossing of the CPR. This project will involve the CPR and Transport Canada.

33. **Pasqua and Ring Road Interchange Preliminary Design/Construction** – The Northwest Sector Study confirmed the need for an interchange at the intersection of Pasqua Street and Ring Road. $1,000,000 is provided in 2011 to complete the preliminary design of the interchange. Construction is anticipated to begin in 2013, will last for three years, and will cost an estimated $35,000,000 ($10,000,000 to be spent in 2013).

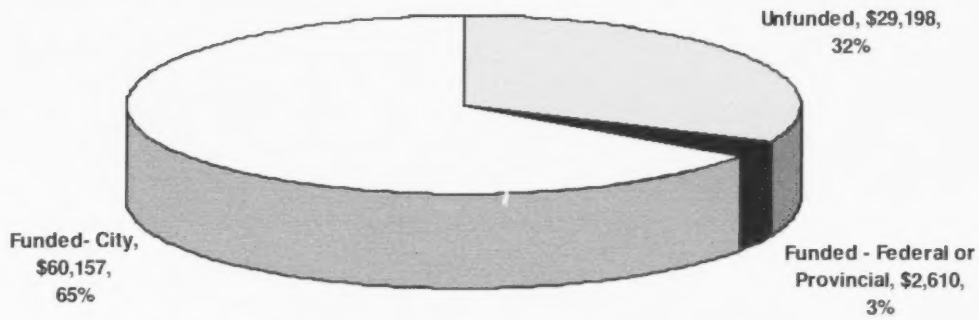
34. **Prince of Wales Drive (Dewdney Avenue to 7th Avenue North ES)** – In 2011, $125,000 is provided for detailed design and in 2012, $1,375,000 is provided to construct the east side of Prince of Wales Drive from Dewdney Avenue to 7th Avenue North.

Corporate Services Division

Capital Program Summary

	2009	2010	2011	2012	2013	Five Year Total
Capital Expenditures ($000's)						
Fleet	**4,782**	4,632	4,839	4,460	4,596	23,309
Facilities	**8,232**	15,274	11,296	9,422	11,796	56,020
Information Technology	**1,531**	4,583	2,870	2,402	1,250	12,636
Total Expenditures	**14,545**	24,489	19,005	16,284	17,642	91,965
Capital Funding ($000's)						
Current Contributions to Capital	**7,143**	7,059	7,136	7,438	7,562	36,338
Debt	**-**	-	-	-	-	-
Equipment Replacement Reserve	**4,782**	4,632	4,839	4,460	4,596	23,309
Employer Provided Parking Reserve	**10**	-	120	20	-	150
Technology Reserve	**-**	125	-	210	25	360
Other Provincial Grants	**2,610**	-	-	-	-	2,610
Total Capital Funding	**14,545**	11,816	12,095	12,128	12,183	62,767
Funding Shortfall	**-**	12,673	6,910	4,156	5,459	29,198
Total	**14,545**	24,489	19,005	16,284	17,642	91,965

The following chart shows the identified capital requirements for the Division over the next five years, and reflects the current funding sources as well as the funding gap.



Fleet Services

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures by Division					
1. Community & Protective Services	**503**	586	526	953	1,741
2. Corporate Services	**789**	356	120	671	378
3. Public Works					
- Roadways and Traffic	**1,715**	1,636	2,371	1,013	917
- Sewer, Water and Waste Management	**1,632**	1,940	1,738	1,706	1,453
- Other	**59**	30	-	33	23
Replacement Program Totals	**4,698**	4,548	4,755	4,376	4,512
Small Tools	**84**	84	84	84	84
Total Expenditures	**4,782**	4,632	4,839	4,460	4,596
Capital Funding					
Equipment Replacement Reserve	**4,782**	4,632	4,839	4,460	4,596
Funding Shortfall	**-**	-	-	-	-
Total	**4,782**	4,632	4,839	4,460	4,596

The Fleet Services Department of the Corporate Services Division manages all City vehicles and equipment, excluding those used by the Transit and Fire Departments and the Regina Police Service. Currently, the fleet consists of 960 active vehicles and equipment units. There are also about twenty replaced units that have been retained on a temporary basis to meet operational requirements. In recent years, the size of the fleet has been reduced by over 200 units, or more than 20%. The Fleet Services Department is also responsible for the management and operation of the Small Tools and Equipment program, which includes 690 powered hand tools. The size of this fleet has seen a similar reduction from the 1998 level of 995 units.

Each year, the Fleet Services Department prepares a fleet replacement plan for the upcoming budget year using a collaborative process with client departments. The needs of client departments must be clearly understood, and Fleet Services' responsibility is to identify equipment and technology that can cost-effectively perform the tasks required. Ongoing replacement or renewal of fleet assets is required to ensure the fleet is available when needed, reliable, suitable, and cost effective.

There are three fundamental reasons why the fleet needs to be constantly renewed.

- Regular and adequate capital investments must be made to replace the fleet life used up in any given period. If not done, the result will be a downward spiral of increasing age, increasing cost, and decreasing reliability. Systematic, orderly, and ongoing replacement will ensure that the fleet retains its value as a productive asset that supports all client departments' operations.

- The average age of the fleet must be managed with care. Young fleets and old fleets exhibit different cost patterns, and it is easy to assume that the maintenance cost reductions for a young fleet are sustainable when in reality they are nothing more than provisions for the higher operating costs that come with the later years of the vehicle's economic life. An old fleet will present the opposite – it is difficult to maintain control when irregular replacement causes fleet average age to swing from young to old.

- Fleet performance is all about reliability, availability, productivity, and predictable costs. Every vehicle experiences deterioration and obsolescence. In the end, while competent policies for maintenance, repair and rebuild extend life, replacement is the only way to revitalize the fleet and maintain productive capacity.

In 2009, 64 fleet vehicles and mobile equipment units will complete their economic life. The budgeted replacement cost is $4,698,000. Replacement of these units will preserve an acceptable average fleet age and maintain acceptable vehicle availability, safety, reliability, productivity, and maintenance costs.

Summary Level Review by Equipment

Capital Summary ($000's)	2009	2010	2011	2012	2013
Equipment Type					
1. Heavy Equipment	**1,322**	1,445	3,308	990	2,347
2. Heavy Trucks	**2,001**	1,976	435	1,908	0
3. Light Industrial and Turf Equipment	**479**	405	370	854	1,783
4. Light Trucks	**896**	635	556	506	336
5. Trailers	**0**	87	86	118	46
Replacement Program Totals	**4,698**	4,548	4,755	4,376	4,512
1. Small tools	**84**	84	84	84	84
Annual Total Expenditures	**4,782**	4,632	4,839	4,460	4,596

Replacement Criteria

Equipment replacement analysis involves determining the optimum economic life or "replacement cycle" for each type of equipment. This identifies the period in the life of the equipment where the equivalent annual cost is lowest. It is also recognized that individual vehicles can have unique lifecycles, depending on usage and operating environments.

The methodology for developing replacement criteria includes consideration of the following factors:

- **Service Life** – The length of time that the unit is capable of delivering its designed level of service. Deterioration is the degree to which the performance of the existing vehicle has declined in terms of reliability, uptime, and repairability.

- **Technological Life** – The decline in productivity of a unit compared with a new design in so far as productivity, quality of work performed, simplicity of operation, fuel efficiency, safety, and environmental compliance are concerned. Some factors, such as current workloads, deteriorating reliability, and increasing operating costs can be quantified. Others, such as future workloads, the benefits of the latest technologies, and improved productivity can only be estimated.

- **Economical Life** – The length of time the average annual cost of a unit declines or remains at a minimum. The financial aspects of the purchase decision, the future owning and operating costs of the existing vehicle, and the expected minimum lifecycle owning and operating costs of the replacement unit are all important. They must not, however, drive the decision and produce results that make no sense from an operational or mechanical point of view. It makes little sense to hold onto a vehicle for which there is little or no work simply because a substantial amount may have been spent recently on repairs.

- **Downtime Sensitivity** – The effect on program delivery when the equipment is not available for use. Analyzing the operational aspects of the decision to sell one piece of equipment and invest in another ensures that the decision is integrated in the best interests of the City as a whole.

Fleet Distribution, Composition and Size

Replacement provides the opportunity to evaluate the composition and size of the fleet. It is important to take a broad view and use the opportunity to adjust the fleet so that it supports the client department's long-term operational plans. The fleet must be constantly adjusted to ensure that it can produce the quantity and quality of work needed to achieve client department's operational goals. Adjustments to the fleet made possible by replacing identified units must be made in a rational way with the objective of

maximizing the utilization of the core fleet and using short-term rentals or other arrangements to accommodate peak demands.

Fleet Distribution

Division	Fleet Size	Equipment Type	Units
Public Works	459	Light Trucks	316
Community & Protective Services	347	Heavy Trucks	122
Corporate Services	151	Heavy Equipment	157
Planning & Development	3	Turf and Light Equipment	235
		Trailers	130
Fleet Total	**960**		**960**

These figures include previously approved additions but do not include any new vehicles or equipment proposed to be added to the fleet.

Planned Acquisitions and Disposals

(Does not include additions to the fleet that may be proposed by client departments)

		Planned Annual Turnover				
	Number of Units	2009	2010	2011	2012	2013
Light Trucks	316	33	18	16	11	9
Turf & Light Equipment	235	17	13	20	21	47
Heavy Trucks	122	9	11	2	9	-
Heavy Equipment	157	5	15	11	7	16
Trailers	130	-	5	2	12	9
Total Fleet	960	64	62	51	60	81

Fleet Replacement and Rationalization

Fleet replacement decisions should be integrated with business planning. Business planning drives the operational aspects of fleet requirements. The client department makes its best estimates of the work that it will be performing and evaluates equipment needs based on those estimates. Integrating equipment replacements with client department business plans provides for systematic decisions that recognize financial constraints, maximize fleet utilization, and minimize fleet costs. Good replacement decisions also consider the operational, mechanical, and financial aspects of continued ownership of the existing vehicle as well as all alternatives.

Fleet requirements are somewhat dynamic and a process must be in place to manage changing needs. The Fleet Utilization Review Committee reviews all proposed acquisitions of additional or replacement equipment and requested retention of replaced equipment. The following controls are used to manage the fleet size:

- Departments are required to present a business case to the Fleet Utilization Review Committee when requesting additional vehicles or enhanced replacements. Approval is contingent on meeting all of the following criteria:
  - The additional vehicle/equipment is required as a result of a change in the service delivery strategy or quantity of work to be done;
  - There are no other suitable fleet units that could be re-deployed, and
  - Ownership is the best option to obtain the equipment.

- Fleet replacements – Approval for replacement of fleet vehicles and equipment is contingent on satisfactory utilization of the equipment being replaced. Where the utilization of the existing equipment does not meet the minimum utilization criteria, the replacement must be supported by a business case.

Fleet Age

The success of achieving and maintaining the optimal fleet size is largely dependent on the ability to properly manage the age of the fleet. In the past, as the fleet aged and equipment reliability declined, some replaced vehicles were retained as spares to provide the required availability. The result was an old, large and under utilized fleet that was costly to maintain. An appropriate average fleet age requires fewer spare units, and consequently a smaller, better utilized and cost efficient fleet. The following table shows the current and target age of the fleet.

Fleet Vehicle Age (Years)

Equipment Type	Current	Target
Light Trucks	7.6	7.5 - 8.5
Heavy Trucks	8.3	7.0 - 8.5
Heavy Equipment	9.4	8.5 - 10.0
Turf and Light Industrial Equipment	6.8	6.0 - 7.0
Trailers	12	10.0 - 12.0

The ongoing challenge is to manage the age of the fleet in a planned and fiscally responsible manner. Replacements are prioritized based on highest cost benefit and urgent operating department needs. Each year, a replacement plan is produced that identifies replacements for the following year and projections for the next five and twenty years. This long-term planning is required to stabilize the capital requirements from year to year.

Alignment with Corporate Strategy

The 2009 Fleet Replacement Plan demonstrates alignment with the City of Regina Corporate Strategic Plan, including Council's vision of an attractive and sustainable community and the following strategic priorities:

- **Strengthen City Infrastructure and Manage Assets** – The 2009 Fleet Replacement Plan and 2009 – 2013 Fleet Capital Program demonstrates prudent lifecycle management of the City's investment in its fleet assets.

- **Achieve Operational Excellence** – Client departments rely on Fleet Services to provide vehicles and equipment that are available, reliable, suitable, and cost effective. **Operating departments are able to provide their services most effectively and efficiently when provided with reliable equipment that is properly matched to the work performed.** Replacing the vehicles identified in the 2009 Replacement Plan will help Fleet Services meet customer expectations.

- **Ensure Organizational Capacity and Effectiveness** – The Fleet Capital Program contributes to a contemporary workplace. Many City of Regina employees spend the majority of their working time operating or riding in vehicles. Timely replacement of fleet vehicles provides a comfortable, safe, and modern work environment for use by employees in the performance of their duties. A well-managed and maintained fleet can help attract and retain talent and improve employee morale, satisfaction, and productivity.

Facilities Management Services

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Major Projects					
Corporate Services					
- City Hall - 14th and 15th Floor Remainder	**800**	-	-	-	-
- City Hall - Main Floor Renovations	**500**	850	-	-	-
- City Hall - Elevator Modernization	**150**	950	-	-	-
- Parks & Facilities Yard Trade Shop	**471**	1,770	100	-	-
- Furniture - New Parks and Facilities Building, PW-Old Fire Hall #1	**282**	-	-	-	-
- City Hall - Future Upgrades	**-**	500	1,000	375	1,050
- Corporate Office Space - Future Upgrades	**-**	735	1,385	1,385	1,385
Corporate Services Major Project Total	**2,203**	4,805	2,485	1,760	2,435
Community & Protective Services					
- Fire Stations - Replace Fire Station #4	**1,250**	1,000	-	-	-
- Fire Education & Training Centre Improvements	-	110	80	-	-
- Recreational Facilities Roof Replacement	**1,250**	770	250	-	475
- Sportplex New Sign	**-**	160	-	-	-
- Lawson Acquatic Centre	**110**	40	445	480	350
- Fieldhouse	**-**	-	150	40	800
- Northwest Leisure Centre	**-**	100	350	-	-
- Sandra Schmirler Leisure Centre	**-**	-	100	-	-
- Neil Balkwill Civic Arts Centre	**-**	-	200	-	-
- Arenas	**-**	-	500	350	360
- Mount Pleasant Sport Park	**-**	-	100	-	-
- Douglas Park	**-**	725	-	-	-
- Tennis Courts	**-**	150	150	-	150
- Parks Storage Facility	**175**	25	175	-	-
Community & Protective Services Total	**2,785**	3,080	2,500	870	2,135
Public Works					
- Public Works Facilities Master Plan	**300**	3,100	1,850	2,350	2,600
Public Works Major Project Total	**300**	3,100	1,850	2,350	2,600
Major Project Total	**5,288**	10,985	6,835	4,980	7,170
2. Asset Revitalization & Sustainability					
- Facility Capital Planning Program	**50**	50	50	50	50
- Facility Revitalization & Sustainability	**2,834**	3,989	3,841	4,022	4,326
- Acquired Properties - General	**50**	100	200	100	-
- Other - Employee Provided Parking (non City Hall)	**10**	-	120	20	-
- Energy Management Allocation	**-**	150	250	250	250
Asset Revitalization & Sustainability Total	**2,944**	4,289	4,461	4,442	4,626
Facilities Total	**8,232**	15,274	11,296	9,422	11,796

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Funding					
Current Contributions to Capital	**5,612**	6,495	6,555	6,839	6,998
Employee Provided Parking Reserve	**10**	-	120	20	-
Other Provincial Grants	**2,610**	-	-	-	-
Total Funding	**8,232**	6,495	6,675	6,859	6,998
Funding Shortfall	**-**	8,779	4,621	2,563	4,798
Total	**8,232**	15,274	11,296	9,422	11,796

The Facilities Management Services Department is responsible for the space planning, construction project management, physical plant maintenance and the operation of the majority of City-owned facilities. The capital budget for Facilities consists of two general types of expenditures; those related to major capital projects and those related to the general capital maintenance and upgrade for facilities, referred to as Facility Revitalization and Sustainability expenditures. The expenditures for 2009 are described in more detail below:

Major Projects:

- **Corporate Services Division**
  Facilities is undertaking several projects within the division to enhance service provision to the public and to upgrade space for employees.

  - *City Hall – 14th and 15th Floor*
    In early 2009, renovations to the Mayor's Office on the 15th floor and the City Manager's Office on the 14th floor will be completed. Additional work in 2009 will complete the upgrade for the rest of the space on the 14th and 15th floors.

  - *City Hall – Main Floor – Customer Service, Security and Elevator Upgrades*
    In partnership with Service Regina, Facilities is undertaking a renovation of the main floor of City Hall to enhance service provision to customers who visit City Hall. It is anticipated that the work will take two years. It includes cosmetic changes as well as security and elevator upgrades to the tower.

  - *Future Upgrades – City Hall*
    Future upgrades at City Hall include the replacement of the spandrel panels on the outside of the building and various mechanical system upgrades (fire alarm system, steam piping replacement, replacement of the air handling unit and the chilled water piping system).

  - *Future Upgrades – Corporate Office Space*
    Plans are being developed to continue with office space upgrades throughout the organization at a rate of the equivalent to one or two floors of City Hall per year.

  - *Parks and Facilities Yard Trades Shop*
    This funding is required over several years for the construction of the new shop building in the Parks Yard to accommodate Parks and Facilities employees currently located in the Forestry Building and the GM Plant. Funding in 2010 includes upgrades to the Chrysler Building in the Parks Yard, creating secure, heated vehicle storage for Parks and Facilities equipment.

  - *Supplemental Furniture Requirements*
    This funding provides for ergonomic, adjustable, flexible office furniture that will meet the specifications within the City's new office space guidelines. This furniture will be used by Parks and Facilities employees working in the new Parks and Facilities Administration building and Public Works employees working in Old Fire Hall #1.

- **Community and Protective Services Division**
  Facilities Management Services has requested funding to continue work on the following significant projects on behalf of Community and Protective Services in 2009.

  - *New Fire Station #4*
    Facilities Management Services in partnership with the Protective Services Department is currently in the design phase of the project that will replace the current #4 Fire Station on Pasqua Street with a new station at 3855 Dewdney Avenue. Construction will commence in 2009, with the station to be completed in 2010.

  - *Fire Education and Training Centre Improvements*
    Funding is required to maintain the capital up keep of the Fire Education and Training Centre.

  - *Recreation Facilities Roof Replacements*
    The roof replacement program for recreational facilities is an ongoing program that requires investment to ensure the long-term functionality and protection of the facilities. Over the next five years, the following recreation facilities are scheduled for roof replacement:

Facility	2009	2010	2011	2012	2013
Lawson Aquatic Centre	1,250	-	-	-	-
Fieldhouse	-	520	-	-	-
Sandra Schmirler Leisure Centre	-	-	-	-	475
Mahon Arena	-	-	250	-	-
Staples Arena	-	250	-	-	-
	1,250	770	250	-	475

  - *Sportplex New Sign*
    Plans are underway to design and install a new sign for the Sportplex in 2010.

  - *Lawson Aquatic Centre*
    There are a number of capital improvements planned for the Lawson Aquatic Centre. These include repainting the pool basin; replacing the bleachers; upgrading Cloud 9; the strength and conditioning centre; the on-deck steam room and sauna; upgrading the accessible lift and designing and building a new storage building.

  - *Fieldhouse*
    Planned improvements and upgrades for the Fieldhouse include the replacement of lockers and the curtain and the installation of an air conditioning system.

  - *Northwest Leisure Centre*
    Replacing the change room walls and remediation of the retaining walls are the focus of upgrades for the Northwest Leisure Centre. This work is currently planned for 2010 and 2011.

  - *Sandra Schmirler Leisure Centre*
    The major enhancements planned for the Sandra Schmirler Leisure Centre focus on an upgrade to the customer service area at the entrance of the building. The work is planned for 2011.

  - *Neil Balkwill Civic Arts Centre*
    The Neil Balkwill Civic Arts Centre requires a new access road and driveway to allow patrons to enter the property from Elphinstone Street.

- *Arenas*
  Various upgrades to arenas are planned for the next five years. These upgrades include enhancements to lighting and arena board replacement at various locations. The Al Ritchie arena requires a dehumidifier and work is required to repair damage caused by differential frost heaving at the Doug Wickenheiser arena.

  Other recreation upgrades include the upgrade of the entrance road at Mount Pleasant Park, facility upgrades at Douglas Park, and tennis court upgrades.

- *Parks Storage Facility*
  This funding in 2009 is for the redevelopment of the storage compound and sub-depot facility at the Glencairn Recreation Centre (GRC). Funding for future years is dedicated to a new Parks facility in Harbour Landing.

- **Public Works Division**
  Facilities Management Services is undertaking one significant project with Public Works in 2009, anticipating that it will result in other long-term projects for that division in future years. In 2009, together with Public Works, Facilities will engage a consultant to complete a Facilities Master Plan for Public Works. The intention is that the Public Works Facilities Master Plan will provide Facilities with a work plan to implement over the next number of years (depending on available funding) to provide Public Works with the facility resources required to support the success of that division long into the future.

- **Asset Revitalization and Sustainability:**
  Buildings and structures require constant care, attention, and maintenance to ensure the safety of occupants, and the long-term use and preservation. A well-managed Facilities operation includes sufficient funding on an annual basis to concentrate on the ongoing maintenance, repair, and general upkeep of civic facilities.

  - *Facility Capital Planning Program:*
    This is multi-year funding required to complete and update the Facility Capital Planning program through the assessment of civic facilities. In the spring of 2008, Facilities began using the program for the first time. More information related to specific results is provided below. Ongoing funding is required to continue the work on facility condition assessments. This program provides required information to enhance decision making related to the long-term sustainability of civic facilities.

  - *Energy Management Initiatives*
    This is funding required to ensure that the City of Regina has the opportunity to take advantage of "green" building initiatives as they become available and as they suit the long-term management and care of the facilities.

  - *Facility Revitalization and Sustainability*
    This funding is required on an ongoing basis to ensure the constant care and upgrade to facilities to keep them in good operational shape, to ensure the safety of occupants and the long-term use and preservation of all civic buildings and structures.

    Funding for the revitalization and sustainability of civic facilities has been a constant challenge for the City of Regina. Without strong supporting data to show the results of strong or weak funding scenarios, it is difficult to determine how much is appropriate for the long-term care of civic facilities. Over time, funding amounts have fallen (or have not risen as facilities have gotten older) and many corporate facilities have not been maintained to a standard of care that is appropriate or desirable. The industry standard for measuring facility conditions is the Facility Condition Index (FCI). For the buildings that have had Condition Assessments, Facilities has estimated an average Facility Condition Index target of 15%. (Note: This benchmark will be verified once more structures have been included in the assessment process.) In the spring of 2008, Facility

Condition assessments were completed on 35 buildings (908,000 square feet) with the following results:

Total Replacement Value	$174 M
Average facility age	27 (range from 7-59 years old
Average FCI	18%
Total deferred maintenance	$31 M (if all work was completed in the next 5 years, the FCI would equal 0%)

Plans are to continue the work to complete additional assessments over the next several years. By approximately 2012, Facilities Management Services will have very solid information to support revitalization and sustainability decisions for civic facilities. The process of assessing facilities will never be complete. It will be necessary on a regular basis, to continue to update assessments and continually update the information in the computer system to ensure the best information is available for decision-making purposes going forward.

The 2009 budget request includes a mixture of requests based on both the facility condition assessment information for the 35 buildings that have been assessed through the new program and the traditional general allocation approach to funding requests. The funding requests for 2009 do not meet the program requirements for the revitalization and sustainability of civic facilities. It is anticipated that with better information on the entire group of assets in the future, and within the framework of a corporate asset management strategy, it will be possible to dedicate more funding to this extremely important asset group.

The 2008 Capital Budget included $1.6 million in general allocation funding. Funding for recreational facilities was deferred in anticipation of Recreation Facility Master Plan to 2020. Funding for outdoor pools and arenas has been lower than normally required for at least the past 3 years. Overall funding for 2009 has increased by approximately $1 million, but based on analysis of the first 35 buildings to receive condition assessments, the pace of funding and revitalization work will have to increase substantially in future years. In 2009 the Facility Revitalization and Sustainability funding is allocated as follows:

Division	Allocation
Community & Protective Services	1,441
Public Works	404
Corporate Services	989
Total	2,834

Information Technology

Capital Summary ($000's)	2009	2010	2011	2012	2013
Capital Expenditures					
1. Business Applications	**881**	3,301	2,030	1,417	755
2. Supporting Infrastructure	**650**	1,157	840	775	470
Corporate Services True Up	-	25	-	-	25
Digital Print / Mail Infrastructure	-	100	-	210	-
Total Expenditures	**1,531**	4,583	2,870	2,402	1,250
Capital Funding					
Current Contributions to Capital	**1,531**	564	581	599	564
Technology Reserve	-	125	-	210	25
Total Funding	**1,531**	689	581	809	589
Funding Shortfall	-	3,894	2,289	1,593	661
Total	**1,531**	4,583	2,870	2,402	1,250

Business Technology – General Allocation

The role of business technology is to support the effective and efficient delivery of civic services. That includes water and sewer services, waste collection and disposal, traffic control, transit services, road and infrastructure maintenance, fire control, recreation facilities and program registration, land-use planning, permits, building inspections, property assessment and taxation, regulatory functions and many others.

The City uses technology to enhance the quality and delivery of services for the benefit of citizens. The goal is to fully integrate all aspects of the City's business, including service delivery, workflow, staffing, front-line and support activities. Electronic service delivery initiatives allow city services to become more accessible and responsive to the needs of citizens. Technical initiatives such as the wireless expansion of the municipal area network allow employees to access current information and respond more quickly to work requirements. Both types of initiatives support the efficiency, effectiveness, reliability, and affordability of service delivery.

The Business Technology capital program is developed based on the needs of the corporation. Project proposals are prepared by the business areas and then reviewed and prioritized by the Business Technology Steering Committee, which is chaired by the Director of ITS and includes Director-level representation from each business division. The ranking criteria takes into consideration the fit of the initiative with the sponsoring divisions' business plan, the opportunity to enhance customer service and financial considerations, along with integration to the City's strategic priorities and the long-term technology plan. The allocation of funding and resources is targeted to the highest-ranking initiatives based on these criteria. The Business Technology portfolio of initiatives and priority ratings are updated regularly through internal reviews as well as reacting to external factors such as legislative changes.

Business Technology capital projects often span more than one fiscal year. Circumstances such as vendor delays, corporate priorities changing or refocusing on essential services can impact the specific timing of expenditures and project completions.

The initiatives planned and underway for 2009 are outlined in the following summaries. The initiatives are being funded from a combination of previously authorized capital plus the 2009 allocation. Some projects will extend beyond 2009, affecting the timing of these budgeted expenditures.

Business Applications

Tax and Assessment System

- The City purchased the source code for this fully integrated system. The system manages the assessment of the 70,600 properties in the City, as well as managing the appeals, assessment administration, taxation billing and collection processes. A project team is finalizing the customizations and fixing the remaining issues with the system. This year's additional areas of focus include modifications to the management of property tax transactions on the TAS application. The modifications will enhance customer service; simplify reporting to Corporate Accounting, City Council, and other taxing authorities as well as internal and external auditors.

Human Resources Management System (HRMS)

- *Yearly Updates* – During the normal course of business, modifications and customizations are required to the City's HRMS (VIP). According to our license agreement, the vendor must make these changes to the system. This is done as required on a "time and materials" basis. Examples include taxation changes from Revenue Canada or the provincial government, or an Agreement change with one of the City's five bargaining units.

- *e-Recruitment* – Improving the City's current recruitment processes is a priority. This automated solution will greatly increase the organizational capacity of the Human Resource Department. An on-line applicant submission, tracking, and management system will reduce the burden on Human Resource staff in copying and distributing resumes and applications for postings. It will also make it easier for the hiring managers to review and select candidates.

- *HRMS Review* – The current system was purchased in 1999. A complete review of the City's Human Resource requirements and a gap analysis of our existing VIP system will take place, along with preparing for a possible RFP. An external consultant will be required due to organizational capacity constraints. If a new system is required, the replacement project will span two to three years.

- *Module Implementation* – This project is co-dependent on the HRMS Review. VIP was implemented with a focus on the payroll and payroll related modules. Human Resources has expressed a strong desire for increased functionality to assist them in managing their area and for better access to information and analysis tools. There are several integrated Human Resource modules available that will be reviewed for suitability, and subsequently prioritized for implementation. Examples include tracking training corporately and allowing employees to inquire and update their own personal information. By utilizing the additional available VIP modules, we can achieve increased manager and employee efficiencies through new self-support tools.

Financial Systems

- *Oracle R12 Upgrade* – the City started planning an Oracle Financials system upgrade in 2007. The decision to upgrade to the newest version (R12) was made in 2008. R12 is radically different in function and structure. Due to organizational capacity constraints, additional external consulting and programming support is required. We expect the consulting support to positively affect the project by reducing the amount of rework required during the install and configuration. This will allow the internal staff to significantly leverage the capabilities of the new version, and increases the probability of a successful, one-time upgrade.

- *Financial Reporting* – Replace the existing process with an effective and simpler process to create and deploy financial reports. The current process (FSG) is time consuming and only a few of the remaining staff have the knowledge to do it well. Several solutions have been piloted or reviewed, but a final solution that will meet the needs has not yet been determined. In 2009, a consultant will be engaged to clarify the requirements and search the marketplace towards a 2010 implementation.

SPL Integration/Upgrades

- This will increase the usability and deployment of SPL to other areas within the City. Oracle has purchased SPL so we can now improve the integration with our various systems. SPL, Oracle Financials, Hansen Call Centre and VIP all feed data to each other. Automating the integration points between systems will ease the work of closing off the RFS, work orders, costing information and time tracking.

Urban Planning Automation

- This is a continuation of a previously approved multi-year project. It is providing an automated solution that will integrate GIS, photos and air photos with workflow in the administration of planning, building permits and inspections. Future phases will include providing the inspectors with the ability to use the application in the field, and the web-enabling of the permit application and approval process.

Supporting Infrastructure

Network Infrastructure

- *Network Switch Upgrade* – This will upgrade the network switches to facilitate voice and video data communications on the City's network in order to support voice communications. The current network switches do not handle voice and video data communications. In order for future business initiatives to transmit this type of data, the core network switches need to be upgraded.

- *New Facility Cabling* – This capital investment is to provide cabling and switches within two new locations, Fire Hall #4 and Evraz Place.

Municipal Area Network

- The objective of the Point-to-Point Wireless initiative is to extend the reach of the current fibre optic network using wireless communication technology. It is the first phase of the City's wireless program, which will eventually replace all existing leased data lines that connect more than 50 City facilities/locations to the corporate network. It will also provide higher-speed network access to many facilities that now have dialup or will provide access to locations that are not currently connected (traffic signals, message boards, SCADA sites, etc.).

Information Security

- This initiative focuses on the addition and upgrading of various software security solutions required to keep the City's data safe and secure. In order to properly protect the City's data assets, ITS needs to continually maintain and increase security measures. Corruption or loss of data due to improper security would severely restrict the City's capacity and effectiveness, as well as negatively impact public trust.

Database Licensing

- This will maintain the operational viability and security of the corporate databases. This includes adequate licensing for the City's two standard databases, Oracle and Microsoft SQL Server. Additional functionality such as identity management and workflow will make the Oracle applications easier to use from an end user standpoint.

Regina Police Services

Capital Program Summary

	2009	2010	2011	2012	2013	Five Year Total
Capital Expenditures ($000's)						
Facilities	**596**	510	279	207	311	1,903
Communications	**-**	50	40	-	2,000	2,090
Information Technology	**598**	561	283	263	329	2,034
Emergency Services Equipment	**158**	76	57	15	-	306
Municipal Justice Building	**-**	-	5,700	5,700	-	11,400
Total Expenditures	**1,352**	1,197	6,359	6,185	2,640	17,733
Capital Funding ($000's)						
Current Contributions to Capital	**1,052**	897	6,159	5,985	2,640	16,733
Police Services Reserve	**300**	300	200	200	-	1,000
Total Funding	**1,352**	1,197	6,359	6,185	2,640	17,733

The information in this summary is based on the 2009 – 2013 Capital Budget submission to the Board of Police Commissioners. Additional information on the capital expenditures is provided in the budget of the Board of Police Commissioners submitted to City Council on January 26, 2009 (Report CR09-8).

General Capital Investment Program Funding

Capital Funding Summary

Capital Funding Source ($000's)	2009	2010	2011	2012	2013	Five Year Total
Current Contributions to Capital						
Civic Capital Projects	**12,604**	12,982	13,372	13,773	14,186	66,917
Police Capital Projects	**1,052**	897	6,159	5,985	2,640	16,733
	13,656	13,879	19,531	19,758	16,826	83,650
Debt	**-**	-	-	-	-	-
Internal Reserves and Transfers						
General Fund Reserve	**300**	3,000	2,700	3,500	4,000	13,500
Police Services Reserve	**300**	300	200	200	-	1,000
Landfill Reserve	**1,990**	15,000	9,575	11,672	1,378	39,615
Golf Course Reserve	**240**	290	370	290	310	1,500
Cemetery Reserve	**135**	90	115	50	45	435
Equipment Replacement Reserve	**4,782**	4,632	4,879	4,506	4,596	23,395
Employee Provided Parking Reserve	**10**	-	120	20	-	150
Technology Reserve	**-**	125	-	210	25	360
Asphalt Plant Reserve	**160**	150	150	150	150	760
	7,917	23,587	18,109	20,598	10,504	80,715
Capital Grants						
Federal Funding						
Gas Tax Grant	**11,100**	10,700	10,700	11,100	11,100	54,700
Transit Grant	**5,616**	-	-	-	-	5,616
Urban Development Agreement (UDA)	**2,500**	-	-	-	-	2,500
Provincial Funding						
Municipal Economic Enhancement Program (MEEP)	**15,960**	-	-	-	-	15,960
	35,176	10,700	10,700	11,100	11,100	78,776
External Funding						
Servicing Agreement Fees - Roads	**5,432**	7,334	2,209	76	76	15,127
Servicing Agreement Fees - Parks	**1,459**	2,826	632	793	701	6,411
Dedicated Lands Contributions	**-**	-	-	490	-	490
Contributions from Developers	**4,365**	213	655	260	260	5,753
Other External Contributions	**15**	4,015	15	25	15	4,085
	11,271	14,388	3,511	1,644	1,052	31,866
Funding Shortfall	**-**	45,742	50,845	44,053	57,212	197,852
Total Capital Funding	**68,020**	108,296	102,696	97,153	96,694	472,859

Key elements of the funding plan for the 2009 – 2013 General Capital Program include:

- **The 2009 – 2013 General Capital Budget was developed including only verified Federal and Provincial capital funding. This results in a funding shortfall of $198 million over the five-year period.**

- **The 2009 – 2013 General Capital Program does not include new debt.**

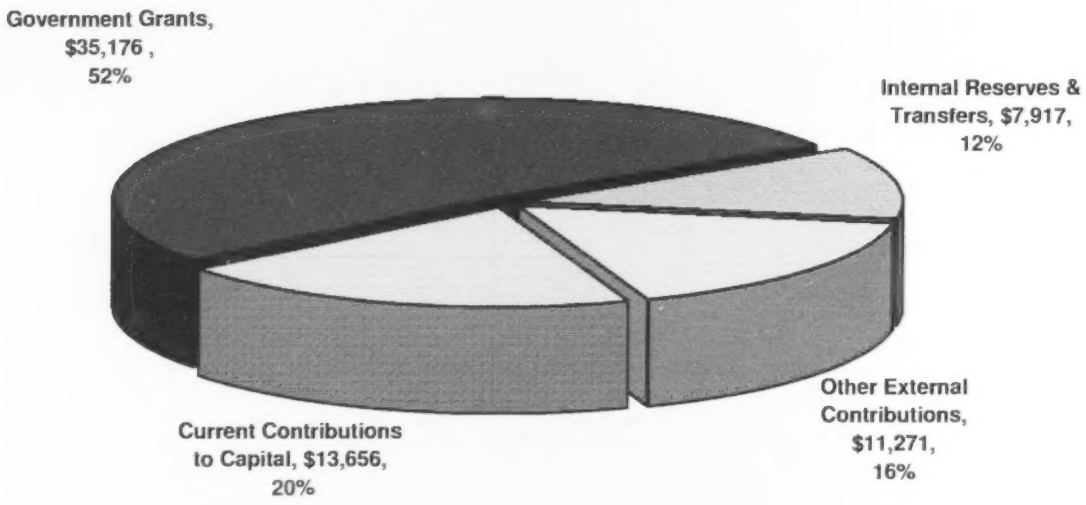
- In 2011 and 2012, there is a significant capital requirement relating to the Municipal Justice Building used by Regina Police Services. Without other funding sources, the requirement for these funds would reduce the City's capital funding available for other purposes or place significant pressure on tax rates. A plan for financing this project will be developed between the Regina Police Services and the City of Regina.

- The funding plan incorporates the use of internal reserves such as the Equipment Replacement Reserve, Asphalt Plant Reserve, Golf Course Reserve, and Cemetery Reserve. There is also funding required from the General Fund Reserve. Capital funding from the General Fund Reserve in the 2009 – 2013 General Investment Capital Program includes:

  - $24.8 million for Land Development, including $12.8 million for industrial land development in Ross Industrial Park.
  - $500,000 for funding under the Urban Development Agreement for projects carried out jointly with the Federal and Provincial governments.

2009 General Capital Funding

Sources of Capital Funding – 2009
($000's)


Government Grants, $35,176, 52%
Internal Reserves & Transfers, $7,917, 12%
Other External Contributions, $11,271, 16%
Current Contributions to Capital, $13,656, 20%

For the 2009 General Capital Budget, the current contributions to capital include:

- Current contributions to capital to fund the capital program submitted by the **Board of Police Commissioners**. **The projected requirement for 2009 is $1,052,000.** The required contributions are **an increase of $207,000** as compared to the current contributions of $845,000 in 2008.

- Current contributions to fund the general portion of the General Capital Program. **The current contributions to capital for 2009 for the general portion of the General Capital Program are $12.6 million, equal to the 2008 current contribution.**

Internal Reserves

General Fund Reserve

The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus, the net revenue of the Real Estate operations (primarily revenue from the sale of land), and unexpended capital funds that are returned to the reserve. Future inflows to the General Fund Reserve will be reduced by creating an Industrial Land Reserve, by transferring operating surpluses to the Asset Revitalization Reserve and by using previous year's surplus to fund current year one-time operating expenditures. A general Fund Reserve balance of $12.5 million to $25 million representing 5% to 10% of budgeted revenues is the suggested preferred minimum balance. The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	25,701	12,636	12,036	12,036	11,886
Projected Requirements:					
Government House Funding	(20)	-	-	-	-
International Junior Hockey Tournament	(250)	(100)	-	-	-
Civic Election	-	-	-	(150)	-
Reassessment 2009/Appeal Risk	(2,000)	-	-	-	-
General Operating Budget	-	-	-	-	-
Fund 2009 Specials	(4,079)	-	-	-	-
Fund 2009 Additions	(382)	-	-	-	-
Transfer to Asset Revitalization Reserve	(539)	-	-	-	-
Annexation	(1,495)	-	-	-	-
Funding Required for Capital Program:	-	-	-	-	-
Urban Development Agreement	-	(500)	-	-	
Reserve Balance - End of Year	16,936	12,036	12,036	11,886	11,886
Transfer - Proposed Industrial Land Reserve	4,300	-	-	-	-
Adjusted Reserve Balance	12,636	12,036	12,036	11,886	11,886

Industrial Land Reserve (Proposed)

An Industrial Land Reserve has not been formally approved by City Council, but has been considered as a method of funding industrial land development, and separating those cash flows, which are subject to significant uncertainty from the projections for the General Fund Reserve. The following forecast has been prepared based on projections of land sales from the Real Estate Department.

Proposed Industrial Land Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	-	6,200	5,900	5,644	5,404
Contributions to the Reserve - Land Sales	2,200	2,200	2,444	3,260	4,340
Proposed Transfer for General Capital Reserve	4,300	-	-	-	-
Funding Required for Capital Program Land Development	(300)	(2,500)	(2,700)	(3,500)	(4,000)
Reserve Balance - End of Year	6,200	5,900	5,644	5,404	5,744

The timing for land sales is highly uncertain, and capital spending would depend upon the pace of those sales. During 2009, a report outlining policy options for the creation of this type of reserve will be provided to City Council, including policies for the maximum balance to be retained in the reserve, and the proposed distribution of any excess.

Asset Revitalization Reserve

A dedicated Asset Revitalization Reserve allocates dedicated funds to meet the strategic capital priorities of the City to assist in managing the growth and revitalization of the City. The vision and strategic plan, coupled with long-term financial planning including the development of special purpose reserves can assist the City in meeting its future growth and revitalization needs.

Asset Revitalization Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	1,150	2,239	2,239	2,239	2,239
Contributions to the Reserve	1,089	-	-	-	-
Funding Required for Capital Program	-	-	-	-	-
Reserve Balance - End of Year	2,239	2,239	2,239	2,239	2,239

Landfill Reserve

The Landfill Reserve is funded through a transfer from the General Operating Budget. The transfer is the net revenue from landfill operations (including an amount for the disposal of waste collected through the residential collection program) less the net cost of the waste minimization programs. A 20-year landfill financial model is maintained to determine landfill rates, taking into account revenues, operating costs, and capital requirements. In 2008 and 2009, in total, funding of $5.5 million from Gas Tax Grants is used to fund landfill projects. An offsetting amount is used to fund Street Infrastructure Renewal projects.

Landfill Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	15,087	17,742	8,636	5,611	1,039
Contributions to the Reserve	4,645	5,894	6,550	7,100	5,120
Funding Required for Capital Program	(1,990)	(15,000)	(9,575)	(11,672)	(1,378)
Reserve Balance - End of Year	17,742	8,636	5,611	1,039	4,781

Golf Course Reserve

The Golf Course Reserve is used to fund golf course capital projects. Contributions to the reserve are from the annual operations of the golf courses. The net revenue after deducting operating expenditures and an allowance for administrative costs is transferred to the reserve. The following table provides a projection for the reserve for the next five years.

Golf Course Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	452	477	452	346	321
Contributions to the Reserve	265	265	264	265	264
Funding Required for Capital Program	(240)	(290)	(370)	(290)	(310)
Reserve Balance - End of Year	477	452	346	321	275

Cemetery Reserve

The Cemetery Reserve is used to fund cemetery capital projects or a loss in the cemetery operations. The annual contribution to the reserve is the net revenue from the cemetery operations after deducting operating expenditures. The Cemetery Management Strategy, approved by Council in 1996, and the Cemetery Financial Plan serve as the primary planning tools in managing the operation of the two cemeteries. The condition of the Cemeteries Program and current developments in the industry requires review and a revised strategy to be prepared. The following table provides a projection for the reserve for the next five years.

Cemetery Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	413	218	115	16	13
Contributions to the Reserve	(60)	(13)	16	47	77
Funding Required for Capital Program	(135)	(90)	(115)	(50)	(45)
Reserve Balance - End of Year	218	115	16	13	45

Equipment Replacement Reserve

The Equipment Replacement Reserve is used to fund the replacement of vehicles and equipment, excluding the vehicles and equipment used by the Transit, Fire, and Police Departments. The reserve is used to fund the replacement of existing equipment, not expand the equipment fleet. Additional equipment is funded separately through the capital program. The amount transferred to the reserve each year is the depreciation charge on the existing fleet of vehicles and equipment.

Equipment Replacement Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	171	171	493	800	1,570
Contributions to the Reserve	4,782	4,954	5,146	5,230	5,296
Funding Required for Capital Program	(4,782)	(4,632)	(4,839)	(4,460)	(4,596)
Reserve Balance - End of Year	171	493	800	1,570	2,270

Asphalt Plant Reserve

The Asphalt Plant Reserve funds the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a charge on the asphalt produced in the plant. The charge is $5.00 per tonne. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. The following table provides a projection for the reserve for the next five years.

Asphalt Plant Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	936	991	1,056	1,121	1,186
Contributions to the Reserve	215	215	215	215	215
Funding Required for Capital Program	(160)	(150)	(150)	(150)	(150)
Reserve Balance - End of Year	991	1,056	1,121	1,186	1,251

Employer Provided Parking Reserve

The Employer Provided Parking Reserve is funded from parking fees paid by employees. The net fees, after deducting operating costs, are transferred to the reserve to fund capital requirements for the parking facilities. The facilities include the parkade at City Hall and parking lots at other civic facilities.

Employer Provided Parking Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	52	331	666	923	1,280
Contributions to the Reserve	289	335	377	377	377
Funding Required for Capital Program	(10)	-	(120)	(20)	-
Reserve Balance - End of Year	331	666	923	1,280	1,657

Technology Reserve

The Technology Reserve is funded from the net revenue generated from the print and office services (computer leasing) programs. These services are budgeted to provide a small surplus to fund the replacement of equipment for the print and office services operations, and if required, to offset a shortfall in the operation of the services.

Technology Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	591	533	443	478	268
Contributions to the Reserve	35	35	35	-	-
Funding Required for Operating/Capital Programs	(93)	(125)	-	(210)	(25)
Reserve Balance - End of Year	533	443	478	268	243

Transit Equipment Reserve

The Transit Equipment Reserve funds the replacement of transit vehicles and equipment, other than transit and paratransit buses. On an annual basis, $22,000 is transferred to the reserve.

Transit Equipment Reserve ($000's)

	2009	2010	2011	2012	2013
Reserve Balance - Start of Year	162	184	206	188	164
Contributions to the Reserve	22	22	22	22	22
Funding Required for Capital Program	-	-	(40)	(46)	-
Reserve Balance - End of Year	184	206	188	164	186

External Capital Funding

Servicing Agreement Fees

Servicing Agreement Fees (SAF) are established under *The Planning and Development Act, 2007* and are collected when a servicing agreement is entered into between the City and a developer. The agreements require a payment to the City of a predetermined amount per hectare of land within the development area. The funds are intended to be used towards the construction of infrastructure to support new development. Funds are not managed on a specific project by project basis because infrastructure demands related to new development do not necessarily occur only within the particular development. For example, each new development places some burden on wastewater treatment facilities and major arterials.

City policy determines the types of projects eligible for Servicing Agreement Fee funding and the percentage of eligible project costs.

In the case of roadways, water, and sewer costs for development, the City would typically incur the costs prior to the full development or an area. In other words, the costs are front ended. Parks and recreation infrastructure costs are generally incurred later in the process.

In 2007, the City completed a major review of the servicing agreement fee policy. The review included estimates of the capital requirements related to new development over the next 20 years. This review indicated that Regina's servicing agreement fees, particularly for roadways and utilities, were not adequate to fund the costs of development. The rates had not kept pace with increases in the construction market, and did not reflect the extent of infrastructure that is necessary to support development in all areas of the City where new development is planned.

The fees have increased significantly since 2007, with a 2009 rate of $212,134 per hectare, up from $183,405 in 2008. Despite the increase in fees, which now include a financing cost element, significant additional funding is required to support these new neighbourhoods, and there will be a significant cash outflow required by the City to fund its share of infrastructure, as well as to finance the infrastructure paid for through servicing agreement fees. This amount will be repaid over the next decade through servicing agreement fees as new development proceeds.

Previously, servicing agreement fees had been reviewed every five years, with a predetermined inflationary adjustment each year. Because of the level of development currently underway in Regina, rapidly increasing construction costs, and work underway on a number of planning studies, Servicing Agreement Fees rates will be reviewed annually.

Roadways Servicing Agreement Fees

Roadways Servicing Agreement Fees are pursuant to The Planning and Development Act, 2007 and are collected when a development agreement is entered into between the City and a developer. In 2009, the agreements require a payment to the City of $86,949 per hectare of land within the development area. Upon execution of a servicing agreement, 30% of the levy is paid, with another 40% within nine months and the balance within a further nine months.

Eligibility for funding is by policy of City Council and includes:

- 85% - 95% of the cost of arterial roads (external to the plan of subdivision).
- A variable percentage for arterial roads (internal to the plan of subdivision).
- 85% to 95% for intersection entrance ways to subdivisions.
- 100% of road widening projects, less repaving costs.
- 18% of interchanges.

Servicing agreement fee revenue is recognized when the funds are spent on an eligible project. However, in many instances, capital projects eligible for servicing agreement fee funding have been undertaken ahead of the funds being received from developers. As such, there is currently a shortfall in servicing agreement fee funding, and shortfalls are projected over the next five years, although the shortfalls have been significantly reduced from previous projections as a result of the servicing agreement fee review and the rate increase.

Parks and Recreation Servicing Agreement Fees

Parks and Recreation servicing agreement fees are collected when a servicing agreement is entered into between the City and a developer. In 2009, the agreements require a payment to the City of $21,353 per hectare of land within the development area. Within one year of the execution of a servicing agreement, 50% of the levy is paid, with the balance within a further year.

The determination of projects eligible for funding from Parks and Recreation servicing agreement fees is established in *The Planning and Development Act, 2007*. The funding criteria adopted by the City include:

- 75% of the cost of zone level parks and facilities. Projects in the zone level category service an area larger than a single subdivision, generally encompassing several subdivisions. Zone level developments are required as a result of growth and new program concepts.

- 100% of the cost of neighbourhood level parks and facilities. Development of neighbourhood level parks is primarily the responsibility of the developer and is generally included in the development of the subdivision. Due to additional development and subsequent population growth, new park components or facilities may be required.

- 50% of the cost of municipal level parks and facilities. Municipal level parks and facilities serve the city as a whole. The timing of these projects generally results from development and subsequent population growth in new subdivisions.

- 95% of neighbourhood streetscaping.

Servicing agreement fees are deferred revenue, with the revenue not recognized until the funds are spent on an eligible project. The projections for Parks and Recreation servicing agreement fees are detailed in the next table. The funding projections have been based on the development of an average of 60 hectares per year for 2009 through 2013.

Parks and Recreation Servicing Agreement Fees ($000's)

	2009	2010	2011	2012	2013
Balance - Start of Year	4,150	5,231	5,134	6,028	6,979
Projected Servicing Agreement Fees Received	1,288	1,333	1,380	1,428	1,478
Interest	102	101	118	137	296
Total Available	5,540	6,665	6,632	7,593	8,753
Funding Required:					
Multi-Purpose Pathway	-	1,237	300	300	300
Arterial Stree Tree Planting	181	90	129	133	100
Plant Material Establishment	128	204	175	181	223
Total Required	309	1,531	604	614	623
Balance - End of Year	5,231	5,134	6,028	6,979	8,130

Payments in Lieu of Land Dedication

Pursuant to Section 187 of *The Planning and Development Act, 2007*, developers are required to dedicate a portion of a development as municipal reserve. The legislation provides that a developer may make a payment in lieu of dedicating the required lands. The funds received are held as deferred revenue until such time as the funds are expended on eligible expenditures. The funds are to be used for the purchase of land to be dedicated for public use or used for the development of and maintenance of existing municipal reserves. There is about $585,000 in deferred revenue at the end of 2008. In 2012, a portion of these funds will be directed to the multi-use pathway system.

Other External Capital Funding Sources

External contributions assumed in the 2009– 2013 General Capital Program include the following:

- $4 million in 2010 for Victoria Avenue Widening (Fleet to City Limit) from the Province of Saskatchewan in a cost-share agreement.
- $15,000 in each year of the General Capital Program for program furnishings and equipment at City recreation facilities. The funding results from the agreement for the supply of beverages to the facilities.
- $10,000 in 2012 for the multi-use pathway in Walsh Acres from the Walsh Acres Community Association.